Canadian Council of Public Accounts Committees

10th ANNUAL CONFERENCE

July 10 - 14, 1988

NOVA SCOTIA

10 au 14 juillet 1988

Xe CONFÉRENCE ANNUELLE

Conseil canadien des comités des comptes publics

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Looking over the conference programme
in the Red Chamber of Province House are (l-r):
Mr. Barry Pashak, M.L.A. (Alberta), First Vice-President;
Mr. Winston Baker, M.H.A. (Newfoundland) Second Vice-President;
Dr. William Gillis, M.L.A. (Nova Scotia), President;
and, Mr. George Archibald, M.L.A. (Nova Scotia), Vice-Chairman of
the Nova Scotia Standing Committee on Public Accounts.

PROGRAMME

Sunday, July 10

7:30 p.m.

Welcoming Reception -
Ballrooms Halifax B and C/
Halifax Sheraton

Monday, July 11

7:30 a.m.

Continental Breakfast -
Ballrooms Halifax B and C/
Halifax Sheraton

8:30 a.m.

Guided Tour of Province House

9:00 a.m.

Location: Legislative Chamber

Opening Remarks by
Dr. William Gillis, M.L.A., President of the Canadian Council of Public Accounts Committees

SESSION I - "Operation of Committees"

10:00 a.m.

Red Chamber/Coffee Break

10:30 a.m.

SESSION I - continued

12:00 noon

Province House Garden -
Official Photograph

12:30 p.m.

Luncheon -
Ballrooms Halifax B and C/
Halifax Sheraton Hotel

PROGRAMME

Dimanche 10 juillet

19 h 30

Réception de bienvenue -
Salles de bal Halifax B et C/Hôtel Sheraton d'Halifax

Lundi 11 juillet

7 h 30

Petit déjeuner a continental - Salles de bal Halifax B et C/ Hôtel Sheraton d'Halifax

8 h 30

Visite guidée de la Province House

9 h 00

Endroit: Legislative Chamber

Discours d'ouverture -
Dr. William Gillis, M.L.A., Président, Conseil canadien des comités des comptes publics

Ière SÉANCE: "Fonctionnement des comités"

10 h 00

Café à la Red Chamber

10 h 30

Ière Séance: (suite)

12 h 00

La Jardin de la Province House-
Photographie officielle

12 h 30

Dîner -
Salles de bal Halifax B et C/ Hôtel Sheraton d'Halifax

PROGRAMME...continued

Monday, July 11...

2:00 p.m.

Location: Legislative Chamber

SESSION II- "Model Public Accounts Committee"

3:15 p.m.

Red Chamber/Coffee

3:30 p.m.

Location: Legislative Chamber

SESSION II - continued

5:00 p.m.

Bus Departs Hotel...
Peggy's Cove/Shore Club

Tuesday, July 12

7:30 a.m.

Continental Breakfast -
Ballrooms Halifax B and C/
Halifax Sheraton

9:00 a.m.

Location: Legislative Chamber

SESSION II - continued

10:00 a.m.

Red Chamber/Coffee Break

10:30 a.m.

SESSION II - continued

12:15 p.m.

Luncheon -
Ballrooms Halifax B and C/
Halifax Sheraton Hotel

PROGRAMME...(suite)

Lundi 11 juillet...

14 h 00

Endroit: Legislative Chamber

2ème SÉANCE - "Modèle de comité des comptes publics"

15 h 15

Café à la Red Chamber

15 h 30

Endroit: Legislative Chamber

2ème SÉANCE - (suite)

17 h 00

Les bus partirons de la porte d'entrée de l'hôtel...
Peggy's Cove/Shore Club

Mardi 12 juillet

7 h 30

Petit déjeuner a continental -
Salles de bal Halifax B et C/
Hôtel Sheraton d'Halifax

9 h 00

Endroit: Legislative Chamber

2ème SÉANCE - (suite)

10 h 00

Café à la Red Chamber

10 h 30

2ème SÉANCE - (suite)

12 h 15

Dîner -
Salles de bal Halifax B et C/
Hôtel Sheraton d'Halifax

PROGRAMME...continued

Tuesday, July 12...

2:00 p.m.

Location: Legislative Chamber

SESSION III - "Joint Session
With Conference of
Legislative Auditors"

3:15 p.m.

Red Chamber/Coffee

3:30 p.m.

Location: Legislative Chamber

SESSION III - continued

[3:30 p.m.

Clerks/Researchers Meeting
Committee Room No. 1
3rd floor - Dennis Building
1740 Granville Street]

5:50 p.m.

Boarding Time -
Historic Properties Dock/
HARBOUR CRUISE

Wednesday, July 12

7:30 a.m.

Continental Breakfast -
Ballrooms Halifax B and C/
Halifax Sheraton

9:00 a.m.

Location: Legislative Chamber

SESSION IV - "Conclusions and
Follow-Up"

10:15 a.m.

Red Chamber/Coffee Break

PROGRAMME...(suite)

Mardi 12 juillet

14 h 00

Endroit: Legislative Chamber

3ème SÉANCE -"Séance mixte
avec la conférence des
vérificateurs législatifs"

15 h 15

Café à la Red Chamber

15 h 30

Endroit: Legislative Chamber

3ème SÉANCE - (suite)

[15 h 30

Réunion des secrétaires et des investigateurs
Committee Room No. 1
3rd floor - Dennis Building
1740 Granville Street]

17 h 50

Embarquement -
Historic Properties Dock/
CROISIÈRE DANS LA PORT

Mercredi 12 juillet

7 h 30

Petit déjeuner a continental - Salles
de bal Halifax B et C/
Hôtel Sheraton d'Halifax

9 h 00

Endroit: Legislative Chamber

4ème SÉANCE - "Conclusions et
directives"

10 h 15

Café à la Red Chamber

PROGRAMME...continued

Wednesday, July 13...

10:30 a.m.

Location: Legislative Chamber

-COUNCIL BUSINESS-

11:30 a.m.

Luncheon -
Ballrooms Halifax B and C/
Halifax Sheraton Hotel

12:15 p.m.

Bus Departs Hotel...
ANNAPOLIS VALLEY TOUR

PROGRAMME...(suite)

Mercredi 13 juillet...

10 h 30

Endroit: Legislative Chamber

-DÉLIBERATIONS DU CONSEIL-

11 h 30

Dîner -
Salles de bal Halifax B et C/
Hôtel Sheraton d'Halifax

12 h 15

Les bus partiron de la porte
d'entrée de l'hotel
VISITE DE LA ANNAPOLIS VALLEY

SPOUSE/GUEST PROGRAMME

Monday, July 11

9:45 a.m. - Bus Departs from Hotel Entrance

10:00 a.m. - Visit to GOVERNMENT HOUSE

Coffee at Lieutenant-Governor's Residence followed by a Guided Tour

12:00 noon - SARAGUAY CLUB

Luncheon

Tuesday, July 12

9:30 a.m. - Bus Departs from Hotel Entrance

BUS TOUR OF SOUTH SHORE

Highlights: Visits to the historic and picturesque towns of Mahone Bay and Lunenburg

12:00 noon - BOSCAWEN INN

Luncheon

PROGRAMME pour LES CONJOINT(E)S et LES INVITÉ(E)S

Lundi 11 juillet

9 h 45 - Les bus partiron de la porte d'entrée de l'hôtel

10 h 00 - LA MAISON DU GOUVERNEMENT

Café à la résidence du Lieutenant-gouverneur suivi par une visite guidée de la résidence

12 h 00 - SARAGUAY CLUB

...Dîner...

Mardi 12 juillet

9 h 30 - Les bus partiron de la porte d'entrée de l'hôtel

VISITE DE LA CÔTE SUD EN BUS

Faits saillants de la visite: visites de villes historiques (Lunenburg et Mahone Bay)

12 h 00 - BOSCAWEN INN

...Dîner...

EXECUTIVE / EXÉCUTIF

1987-88

President/président:	Dr. William Gillis, M.L.A. -Nova Scotia/Nouvelle-Écosse
First Vice-President/ Premier vice-président:	Mr. Barry Pashak, M.L.A. -Alberta
Second Vice-President/ Deuxième vice-président:	Mr. Winston Baker, M.H.A. -Newfoundland/Terre-Neuve
Executive Secretary/ Secrétaire exécutif:	Mr. Craig H. James -British Columbia/Colombie Britannique
Conference Secretary/ Secrétaire de la conférence:	Ms. Dianne M. Stillman -Nova Scotia/Nouvelle-Écosse

1988-89

President/président:	Mr. Barry Pashak, M.L.A. -Alberta
First Vice-President/ Premier vice-président:	Mr. Winston Baker, M.H.A. -Newfoundland/Terre-Neuve
Second Vice-President/ Deuxième vice-président:	(Representative to be Chosen) -Manitoba
Executive Secretary/ Secrétaire exécutif:	Mr. Craig H. James -British Columbia/Colombie Britannique

DELEGATES / DÉLÉGUÉS(ES)

ALBERTA

Mr. Barry Pashak, M.L.A.	Chairman/président
Mr. Ron Moore, M.L.A.	Deputy Chairman/vice-président
Ms. Karen South	Clerk/greffier

BRITISH COLUMBIA/COLUMBIE BRITANNIQUE

Ms. Darlene Marzari, M.L.A.	Chairman/président
Mr. Craig James	Clerk/greffier

NEW BRUNSWICK/NOUVEAU-BRUNSWICK

Dr. Hubert Seamans, M.L.A.	Vice-Chairman/vice-président
Mr. David Peterson	Clerk/greffier

NEWFOUNDLAND/TERRE-NEUVE

Mr. Winston Baker, M.H.A.	Chairman/président
Mr. Kevin Parsons, M.H.A.	
Mr. Richard Porter	Research Officer/recherchiste

NORTHWEST TERRITORIES/TERRITORIES DU NORD-OUEST

Mr. Henry Zoe, M.L.A.	Vice-Chairman/vice-président
Ms. Lynn Elkin Hall	Researcher/recherchiste
Mrs. Rhoda Perkison	Clerk/greffier

NOVA SCOTIA/NOUVELLE-ÉCOSSE

Dr. William Gillis, M.L.A.	Chairman/président
Mr. George Archibald, M.L.A.	Vice-Chairman/vice-président
Ms. Dianne Stillman	Clerk/greffier

ONTARIO

Mr. Ed Philip, M.P.P.	Chairman/président
Mr. Gilles Pouliot, M.P.P.	Vice-Chairman/vice-président
Mr. Bill Ballinger, M.P.P.	
Mr. Doug Carrothers, M.P.P.	
Mr. Michael Dietsch, M.P.P.	
Ms. Joan Fawcett, M.P.P.	
Ms. Shelley Martel, M.P.P.	
Mr. Stephen Offer, M.P.P.	
Mr. Bob Runciman, M.P.P.	
Mr. David Smith, M.P.P.	
Mr. Doug Arnott	Clerk/greffier
Ms. Wendy MacDonald	Research Officer/recherchiste

PRINCE EDWARD ISLAND/ÎLE DE PRINCE-EDOUARD

Mr. Albert Fogarty, M.L.A.	Chairman/président
Mr. Lynwood MacPherson, M.L.A.	

QUÉBEC

Mr. Jean-Guy Lemieux, M.N.A.	Chairman/président
Mr. Jean Garon, M.N.A.	Vice-Chairman/vice-président
Mr. Michel Despres, M.N.A.	
Mr. Francis Dufour, M.N.A.	
Mr. Alain Major	Clerk/greffier

SASKATCHEWAN

Mr. Harry Van Mulligan, M.L.A.	Chairman/président
Mr. Lloyd Muller, M.L.A.	Vice-Chairman/vice-président
Ms. Gwenn Ronyk	Clerk/greffier

YUKON

Mr. Willard Phelps, M.L.A.	Chairman/président
Mr. Jim McLachlan, M.L.A.	Vice-Chairman/président
Ms. Bea Firth, M.L.A.	
Mr. Art Webster, M.L.A.	
Ms. Missy Follwell	Clerk/greffier

HOUSE OF COMMONS/CHAMBRE DES COMMUNES

Mr. Alan Redway, M.P.	Vice-Chairman/vice-président
Mr. Gilles Grondin, M.P.	
Mr. Stan Hovdebo, M.P.	
Mr. Dan McKenzie, M.P.	
Mr. Thomas Hall	Clerk/greffier
Mr. Eric Adams	Research Officer/recherchiste
Mr. Mark Hill	Observer/observateur

ANNUAL CONFERENCES — CONFÉRENCES ANNUELLES

NO.	Dates	Location/Lieu
1	13-15 August 1979/ 13 au 15 août 1979	Saint John
2	11-13 August 1980/ 11 au 13 août 1980	Winnipeg
3	6-8 July 1981/ 6 au 8 juillet 1981	St. Andrews
4	5-7 July 1982/ 5 au 7 juillet 1982	Victoria
5	10-13 July 1983/ 10 au 13 juillet 1983	Toronto
6	9-11 July 1984/ 9 au 11 juillet 1984	Charlottetown
7	8-10 July 1985/ 8 au 10 juillet 1985	Whitehorse
8	6-9 July 1986/ 6 au 9 juillet 1986	Regina
9	5-8 July 1987/ 5 au 8 juillet 1987	Quebec
10	10-13 July 1988/ 10 au 13 juillet 1988	Halifax
11	1989	Alberta
12	1990	Newfoundland*
13	1991	Manitoba*
14	1992	New Brunswick*
15	1993	Ontario*
16	1994	Prince Edward Island*
17	1995	Canada*
18	1996	British Columbia*
19	1997	Saskatchewan*

*Conference of Legislative Auditors future confirmed locations./
Dates prévues des conférences des vérificateurs législatifs.

CONSTITUTION

Canadian Council of Public Accounts Committees
Approved July 8, 1987

1. The Canadian Council of Public Accounts Committees is hereby established.

2. The aims of the Council are:

   a) To facilitate the exchange of information and opinion relating to Public Accounts Committees, and to discuss matters of mutual concern;

   b) To improve the quality and the performance of Public Accounts Committees in Canada to ensure that taxpayers are getting value for money;

   c) To work with Auditors General so as to improve the effectiveness of both the Auditors and the Public Accounts Committees;

   d) To work with individuals and organizations knowledgeable about matters of concern to Public Accounts Committees;

   e) To educate the elected Members, the media and the general public as to the purposes and activities of Public Accounts Committees.

3. Membership in the Council is open to legislators who are members of all Canadian Public Accounts Committees or of similar legislative committees scrutinizing public spending.

4. The Council shall meet annually, with the meetings open to legislators and staff of Public Accounts Committees.

5. In case of questions to be decided at the annual meeting, one vote may be cast by the House of Commons Public Accounts Committee and by the Public Accounts Committee (or equivalent) of each province or territory.

6. a) The Board of Directors of the Council shall be comprised of a President and two Vice-Presidents elected by the Council, and serving at pleasure; whenever possible, the Public Accounts Committee Chairman of the jurisdiction in which the annual meeting is to be held shall be a member of the Board of Directors. The members of the Board shall be chairmen of the Public Accounts Committees, or similar bodies and shall be elected at an Annual General Meeting.

   b) The Board of Directors shall meet once yearly between the annual meeting.

   c) Whenever possible, the Committee Clerk of the jurisdiction in which the annual meeting is to be held shall be Secretary to the Board of Directors.

   d) An Executive Secretary shall be elected every two years at the annual meeting, and whose function it will be to co-ordinate the publication of the Public Accounts series in the Canadian Parliamentary Review.

7. a) A quorum of the Council shall be 7 voting members.

   b) A quorum of the Board shall be 2 voting members.

CONSTITUTION

Conseil canadien des comités des comptes publics
Adoptée le 8 juillet 1987

1. Le Conseil canadien des comités des comptes publics est établi par la présente Constitution.

2. Les buts du Conseil son les suivants:

   a) de faciliter l'échange d'information et d'opinion reliées aux comités des comptes publics, et de discuter de sujets d'intérêt commun;

   b) d'améliorer la qualité et le rendement des comités des comptes publics pour s'assurer que l'argent des contribuables soit dépensé de façon efficace;

   c) de travailler avec les Véerificateurs généraux de façon a améliorer l'efficacité des Vérificateurs généraux ainsi que celle des comités des comptes publics;

   d) de travailler avec des personnes et des associations informées en ce qui concerne les affaires propres aux comités des comptes publics;

   e) d'informer les députés élus, les média et le grand public en ce qui a trait aux objectifs et activités des comités des comptes publics.

3. L'adhésion au Conseil est ouverte aux législateurs qui sont membres des comités canadiens des comptes publics ou des comités législatifs de même nature dont le rôle est d'analyser les dépenses publiques.

4. Le Conseil se réunit annuellement, et les réunions sont ouvertes aux législateurs et au personnel des comités des comptes publics.

5. Au cas où des questions devraient être débattues lors de la réunion annuelle, le comité des comptes publics de la Chambre des Communes à droit a un vote ainsi que le comité des comptes publics (ou l'équivalent) de chaque province ou territoire.

6. a) Le conseil d'administration du Conseil est composé d'un Président, de deux vice-présidents, élus par le Conseil et agissant selon leur bon vouloir; lorsque cela est possible, le président du comité des comptes publics dont la juridiction se trouve être le site de la prochaine réunion annuelle, devrait faire partie du conseil d'administration. Les membres du conseil d'administration doivent être présidents d'un comité des comptes publics (ou l'équivalent) et doivent être élus lors de chaque réunion annuelle.

   b) Le Conseil d'administration se réunit une fois l'an entre chaque réunion annuelle.

   c) Lorsque cela est possible, le Secrétaire du comité de la législature dans laquelle aura lieu la prochaine réunion annuelle est le secrétaire du conseil d'administration.

   d) Á tous les deux ans, lors de la réunion annuelle, la Conseil procéde a l'élection d'un Secrétaire exéecutif. Celui-ci a pour fonction de coordonner la publication d'articles dur les comités des comptes publics dans la Revue parlementaire canadienne.

7. a) Le quorum du Conseil est de sept membres votants.

   b) Le quorum du conseil d'administration est de deux membres votants.

Tenth Annual Conference Canadian Council of Public Accounts Committees

MINUTES OF PROCEEDINGS

First Sitting
Monday, July 11, 1988

The sitting began at 9:05 a.m. under the chairmanship of Dr. William Gillis, M.L.A. (Antigonish), and President of the Canadian Council of Public Accounts Committees.

Dr. Gillis welcomed the participants and presented the conference program.

Each delegate outlined the activities and operations of his or her committee.

At 11:19 a.m., the sitting was suspended until 2:00 p.m.

The sitting resumed at 2:04 p.m.

Mr. Winston Baker, M.H.A. made a presentation on behalf of the "Baker Sub-Committee" on their report, Guidelines for Public Accounts Committees in Canada. This presentation was followed by a general discussion.

At 4:20 p.m., the Council adjourned until 9:00 a.m. the following day.

Xe Conférence annuelle du Conseil canadien des comités des comptes publics

PROCÈS-VERBAL

Première séance
Le lundi 11 juillet 1988

La séance débute à 9 h 05 sous la présidence de M. William Gillis, M.L.A. (Antigonish), et président du Conseil canadien des comités des comptes publics.

M. Gillis souhaite la bienvenue aux participants et présente le programme de la conférence.

À tour de rôle, les délégués font l'exposé des activités et du fonctionnement de leur commission.

À 11 h 19, les travaux sont suspendus jusqu'à 14 h 00.

Les travaux reprennent à 14 h 04.

M. Winston Baker, M.H.A. fait un exposé sur le document a été préparé par le sous-comité, Lignes directrices pour les comités des comptes publics du Canada. Une discussion d'ordre général s'ensuit.

À 6 h 20, les travaux de la conférence sont ajournés au lendemain, 9 heures.

Second Sitting
Tuesday, July 12, 1988

The sitting began at 9:10 a.m.

Discussion continued on the Guidelines for Public Accounts Committees in Canada.

At 11:50 a.m., the sitting was suspended until 2:00 p.m.

The sitting resumed at 2:07 p.m.

Delegates of the Tenth Annual Conference of the Canadian Council of Public Accounts Committees held a joint business session with participants of the Canadian Conference of Legislative Auditors.

Mr. Doug Archer, Auditor General of Ontario, Mr. Rheal Chatelain, Auditor General of Quebec and Mr. Kenneth Dye, Auditor General of Canada made presentations and a general discussion followed on the Guidelines for Public Accounts Committees in Canada.

At 4:13 p.m., the Council adjourned until 9:00 a.m. the following day.

Deuxième séance
Le mardi 12 juillet 1988

La séance débute a 9 h 10.

Une discussion s'ensuit de les Lignes directrices pur les comités des comptes publics du Canada.

À 11 h 50, les travaux sont suspendus jusqu'à 14 heures.

Les travaux reprennent à 14 h 07.

Les participants de la Xe Conférence du Conseil canadien des comités des comptes publics se réunissent en séance conjointe avec les participants de la Conférence canadienne des vérificateurs législatifs.

M. Doug Archer, vérificateur législatif de l'Ontario, M. Rheal Chatelain, vérificateur législatif du Québec, et M. Kenneth Dye, vérificateur législatif du Canada font un exposé sur le document, Lignes directrices pour les comités des comptes publics du Canada. Une discussion s'ensuite.

À 16 h 13, les travaux sont ajournés au lendemain, 9 heures.

Third Sitting
Wednesday, July 13, 1988

The sitting began at 9:16 a.m.

Follow-up to the Tenth Conference:

A discussion took place on revisions to the Guidelines for Public Accounts Committees in Canada.

It was resolved, on a motion by Mr. Baker that the sub-committee's report be adopted as a working document.

Minutes of the Ninth Annual Meeting:

Resolved that the minutes of the Council's Ninth Annual Meeting be adopted. (Gillis)

Review of the Constitution:

The participants reviewed the Constitution. No amendment was proposed.

Elections:

PRESIDENT-
Resolved that Mr. Pashak be elected as President of the Council (Moore).

FIRST VICE-PRESIDENT-
Resolved that Mr. Baker be elected as First Vice-President of the Council. (Parsons)

SECOND VICE-PRESIDENT-
Resolved that a representative from Manitoba be elected as Second Vice-President of the Council. (Gillis)

-CONCLUSION OF THE CONFERENCE-

Troisième séance
Le mercredi 13 juillet 1988

La séance débute a 9 h 16.

Suivi de la Xe Conférence:

Une discussion s'engage sur les révisions au Lignes directrices pour les comités des comptes publics du Canada.

Sur motion de M. Baker, il est résolu que le document est adopté par un document faire révision.

Procès-verbal de la IXe Conférence :

Sur motion de M. Gillis, le procès-verbal de la IXe conférence est adopté

Examen de la Constitution:

Les participants de la conférence prennent en considération la constitution de Conseil. Aucune modification n'est proposée.

Élections:

PRÉSIDENT -
Sur motion de M. Moore, M. Pashak est élu président du Conseil a l'unanimité.

1er VICE-PRÉSIDENT -
Sur motion de M. Parsons, M. Baker est élu 1er vice-président du Conseil a l'unanimité.

2ème VICE-PRÉSIDENT -
Sur motion de M. Gillis, un representant de Manitoba, est élu 2ème vice-président du Conseil a l'unanimité.

-CLÔTURE DE LA CONFÉRENCE-

HANSARD TRANSCRIPT

MONDAY, JULY 11, 1988

OPENING OF THE CONFERENCE

WELCOME TO DELEGATES

[9:05 a.m.]

By Mr. William Gillis
President, Canadian Council of Public Accounts Committees
and
Chairman, Standing Committee on Public Accounts
Nova Scotia House of Assembly

MR. CHAIRMAN (Mr. William Gillis): Ladies and gentlemen, I want to welcome all of you to the 10th Annual Conference of the Canadian Council of Public Accounts Committees. I do this on behalf of Mr. George Archibald, the Vice-Chairman of our committee in Nova Scotia, and myself.

Mesdames et monsieurs, bienvenue à Nouvelle-Écosse. Premièrement, je veux m'éxcuser parce que je ne peux pas m'addresser à vous en français. Il faut que je me serve de l'autre langue official et notre service de traduction.

I trust that your visit to our province will be enjoyable and worthwhile. Mr. Archibald and I are honoured to welcome delegates from the Northwest Territories, the Yukon, Canada and 9 out of the 10 provinces.

AN HON. MEMBER: Hear, hear!

MR. CHAIRMAN: We are hoping that the program will meet with your approval. Things are a little cramped here this morning, but I hope everybody has a place and is in relative comfort.

Before moving on, I want to mention several housekeeping items. Employees of our Hansard services are doing an audio recording of our technical sessions. In order to assist the personnel of Hansard throughout the sessions, I ask you to give your name before you commence your remarks. When we start this morning we are going to go in order starting on my left around the room to each jurisdiction. Beyond that, I would like you to give your name when you begin your remarks, as it will help our people identify who is speaking. I regret we do not have a video for the performances here today so I think you are going to have to show your acting abilities in video in other forums because we do not have the video capabilities and will have to rely on audio only here today.

I also want to ask that if any of you are using prepared text, either this morning or in any of the other sessions, that you give a copy to Ms. Dianne Stillman who is sitting at the table with me, who is Secretary of the Nova Scotia Public Accounts Committee. If you have taken the time to prepare a text, we would like to have a copy that we can give to Hansard when we are putting the transcription together later. I also want to thank Dianne for all the work she has done in getting us to this point on the first day of the conference.

I also want to mention that at approximately noon today at the conclusion of the morning session, a photograph of the delegates will be taken. If the weather permits, we will be taking the picture just outside of the building. If we are into the monsoon season, we may have to do it in the Red Room at the other end of the building.

At this time, I want to give a brief outline of our technical program. This morning we will have a brief report from each jurisdiction with regard to the operation of your committee since the last meeting of the Canadian Council of Public Accounts Committees. After lunch today, and tomorrow before lunch, under the leadership of Mr. Winston Baker of Newfoundland and the three other members of his committee, we will discuss the draft report entitled, Guidelines for Public Accounts Committees in Canada. I want to pay tribute to Mr. Baker and his committee for the work they did to prepare this document. It is right here and I am sure all of you have looked it over and we will have two half days ourselves to discuss that well prepared report. Tomorrow afternoon we are going to have a joint session with the legislative auditors and at that time we will have another look at the Baker report from the legislative auditors side plus our own point of view. On Wednesday morning we will have the wrap-up session of this conference, including a brief business meeting.

Before we commence the first session, I feel that we should make ourselves known to each other, maybe starting with the person on my left. Maybe I will ask at least the people in the front row for now and maybe we will get to know the rest of the crew later on. I would ask the politicians in the audience to give their name, the jurisdiction they represent and their position, whether they are chairmen of the committees or a member. I will start from my left behind me here and we will do all of the politicians right around the room until we end over here. We will start with Mr. Fogarty.

MR. ALBERT FOGARTY (Prince Edward Island): Mr. Chairman, Albert Fogarty, member for 1st Kings. Also, a second politician and the Vice-Chairman of our committee, just behind me, Lynwood MacPherson.

MR. CHAIRMAN: Maybe Mr. Dufour could continue and we will introduce all of the politicians, please.

MR. FRANCIS DUFOUR (Quebec): Francis Dufour.

MR. JEAN-GUY LEMIEUX (Quebec): Jean-Guy Lemieux.

MR. HARRY VAN MULLIGAN (Saskatchewan): Harry Van Mulligan, Chairman of the Standing Committee on Public Accounts.

MR. LLOYD MULLER (Saskatchewan): Lloyd Muller, Shellbrook-Torch River, Vice-Chairman of the Public Accounts Committee.

MR. JAMES MCLACHLAN (Yukon): Jim McLachlan, member of the Legislative Assembly for Faro and Vice-Chairman of the Yukon Public Accounts Committee.

MR. WILLARD PHELPS (Yukon): Willard Phelps, Chairman of the Public Accounts Committee.

M. GILLES GRONDIN (Canada): Gilles Grondin, le député, comté Saint Maurice.

MR. STAN HOVDEBO (Canada): Stan Hovdebo, member of the Public Accounts Committee.

MR. DAN MCKENZIE (Canada): Dan McKenzie, (Progressive Conservative) MP, Winnipeg-Assiniboine.

MR. BARRY PASHAK (Alberta): Barry Pashak, Calgary Forest Lawn, member of the Official Opposition and Chairman of the Public Accounts Committee.

MR. RON MOORE (Alberta): Ron Moore from the constituency of Lacombe, Vice-Chairman of the Public Accounts Committee.

MS. DARLENE MARZARI (British Columbia): Darlene Marzari, Chairman of the Public Accounts Committee.

DR. KAL SEAMAN (New Brunswick): Dr. Kal Seaman, MLA for Kings Centre and Vice-Chairman of our Public Accounts Committee.

MR. JIM KELLAND (Newfoundland): Jim Kelland, Naskaupi district, Province of Newfoundland and Labrador, member of the Public Accounts Committee.

MR. WINSTON BAKER (Newfoundland): Winston Baker, Chairman of the Public Accounts Committee.

MR. HENRY ZOE (Northwest Territories): Henry Zoe, MLA for Rae-Lac la Martre, Deputy Chairman of the Public Accounts Committee.

MR. GEORGE ARCHIBALD (Nova Scotia): George Archibald, member for Kings North and Vice-Chairman of our committee. I want to second Mr. Gillis' warm welcome to you all and I hope you enjoy your stay and that you get a great deal of benefit from this meeting.

MR. ED PHILIP (Ontario): Ed Philip, MPP, Etobicoke-Rexdale, Chairman of the Ontario Public Accounts Committee.

M. GILLES POULIOT (Ontario): Gilles Pouliot, député, Lac Nipigon, vice-président, Ontario.

MR. BILL BALLINGER (Ontario): Good morning. Bill Ballinger and I am the first Liberal since 1886 for the riding of Durham-York in Ontario and I am a member of the Public Accounts Committee.

MS. SHELLEY MARTEL (Ontario): Shelley Martel, MPP, Sudbury East, Ontario.

MR. MICHAEL DIETSCH (Ontario): Mike Dietsch, St. Catharines-Brock, MPP and member of the Public Accounts Committee.

MR. DOUG CARROTHERS (Ontario): Doug Carrothers, MPP, Oakville South and member of the Ontario committee. (Interruption)

AN HON. MEMBER: Push the button, Doug.

MR. CARROTHERS: I cannot, it doesn't work.

MR. KEVIN PARSONS (Newfoundland): Kevin Parsons, St. John's East Extern and member of the Public Accounts Committee.

MR. BOB RUNCIMAN (Ontario): Bob Runciman and I am one of the 17 Conservative members of the Ontario Legislature and, unlike the Liberals, we know when to push the button. (Laughter)

MR. NORM STERLING (Ontario): Norm Sterling, one of the other 17, from the riding of Carleton in Ontario.

MS. JOAN FAWCETT (Ontario): Joan Fawcett from Northumberland in Ontario, MPP and a member of the Public Accounts Committee.

MR. DAVID SMITH (Ontario): Dave Smith, member for Lambton, an Ontario Public Accounts member.

MR. STEPHEN OFFER (Ontario): Stephen Offer, MPP, Mississauga North, member of the Public Accounts Committee.

MR. CHAIRMAN: I want to thank you (Interruption). I see Mr. Garon. Are there any others?

M. MICHEL DESPRÉS (Québec): Michel Després.

M. JEAN GARON (Québec): Jean Garon, député Parti Québeçois, vice-président de la Commission du budget et de l'administration.

MR. LYNWOOD MACPHERSON (Prince Edward Island): Lynwood MacPherson, Vice-Chairman of the Public Accounts Committee.

MR. ARTHUR WEBSTER (Yukon): Art Webster, MLA for Klondike and a member of the Public Accounts Committee.

MRS. BEA FIRTH (Yukon): My name is Bea Firth. I am the member for Whitehorse Riverdale South in the Yukon Territory and I have been a member of the Public Accounts Committee for six years.

MR. CHAIRMAN: Does that cover all of the politicians? I know there are other very distinguished people here, but I think we had better get on with our program. If that is all of the politicians, maybe we will leave it there and continue. Is there anybody else? Thank you.

FIRST SESSION

Operation of Committees

MR. CHAIRMAN: It is now time, ladies and gentlemen, to begin the program for the morning. As I indicated earlier I want to ask a representative of each jurisdiction to give a brief report on the method of operation of and the results achieved by your respective Public Accounts Committees in 1987-88.

I would ask you to please limit each statement to 10 minutes. It can be less if you want, but please not more. The time limit is necessary in order that we complete this section of the program by noon.

With that I request that the delegate to my far left, Mr. Fogarty, commence. Thank you.

MR. ALBERT FOGARTY (Prince Edward Island): Thank you very much, Chairman Bill. I am pleased to report on behalf of the Public Accounts Committee of Prince Edward Island our committee continues, I believe, to pick up steam following years of some considerable inactivity. This is only the second year in the history of our Legislature that an Opposition MLA has served as the committee chairman.

The investigative aspect of our committee's work is slowly but surely increasing and there seems to be, so far, a fair amount of unanimity among both Liberal and Conservative members in the pursuit of this investigative objective.

This past session, for example, and our Legislature usually sits between February and May, saw our committee meet several times with our Auditor General for briefings and an in-depth look at his report.

In terms of the 1988 session our committee's attention was focused primarily on two government agencies, the Provincial Lending Authority and the Liquor Control Commission and one new government program, the Elder Care Drug Assistance Program.

I think it is fair to say that our report which was tabled on Tuesday, May 17th did generate considerable interest from both the government benches and the media. It is interesting to note, however, whereas our committee agreed unanimously to seek permission to sit inter-sessionally, other government members rallied to defeat that particular recommendation in our report when I tabled it in the House.

I would note this, despite the fact that the Liberal members on the committee, all of them, voted for that recommendation. The Minister of Finance in this case marshalled the Opposition from government benches to deny the committee permission to sit between sessions. So that will continue to be an objective for our committee on Prince Edward Island.

Mr. Chairman, I am pleased to report that there is a good working relationship between the chairman and the vice-chairman on our committee, in fact there is good working relationships among all committee members. I think if this situation holds that our committee will be better able to discharge our responsibilities in the future.

We are quite interested in the consideration this meeting will give to Mr. Baker's report. I have looked at it in some detail and with some care and I find it to be an interesting and thought provoking document.

I think, Mr. Chairman, certainly speaking for myself it is an honour to take part again in this conference. I have been attending federal-provincial conferences since 1979 and I might note, Mr. Chairman, that this is the first time in all of these conferences that the Province of Prince Edward Island was asked to, in fact, lead off the debate at this particular conference. I will in the future, Mr. Chairman, continue to trust very wisely in your good judgment. Thank you very much. (Applause)

MR. CHAIRMAN: I would now like to call on Monsieur Jean-Guy Lemieux to speak on behalf of the Province of Quebec.

M. JEAN-GUY LEMIEUX (Québec): Merci Monsieur le Président. L'expertise et l'expérience apporter par le fonctionnement des comité des comptes publics a été grandement utile et nécessaire à la Commission du budget et de l'administration au Québec.

En ce qui concerne le fonctionnement de la Commission du budget et de l'administration, je crois que vous savez tous que notre commission diffère grandement du modèle des autre comités des comptes publics canadiens, malgré leur diversité d'un parlement à l'autre.

L'an passé le député de Mille-Iles, Monsieur Jean-Pierre Bélisle, qui est membre de notre commission mais qui n'a pu être des nôtres cette année, a longuement exposé les caractéristiques de la Commission du budget et de l'administration.

Pour l'essentiel, la principale différence réside dans le fait que la Commission du budget et de l'administration n'est pas une commission spécialisée dans l'examen annuel des comptes publics et dans la revue de rapport du Vérificateur général; elle exécute de nombreuses fonctions ayant trait à fois à la législation et à la surveillance des actes du gouvernement, ce que nous appelons commune humain dans le jargon parlementaire, le contrôle parlementaire.

Une autre différence importante est que l'examen des comptes publics a été rarement effectué au cours des dernières décennies, pour toutes sortes de raisons. Si vous le voulez bien, j'aimerais vous entretenir brièvement de l'évolution que connaît notre commission depuis quelques années.

On retrace l'existence d'un comité des comptes publics fort actif au Québec au XIXe siècle, mais le comité a vu ses activités décroître après la deuxième guerre mondiale pour devenir partiquement inopérant à la fin des années 60. A ce moment, l'Assemblée nationale du Québec a créé la commission des engagements financiers qui se réunissait très régulièrement afin d'examiner les engagements financiers des ministères de plus de $25,000.

Cette formule a très bien fonctionné et a pris chez nous la place de l'ancien comité des comptes publics. En 1984, le rôle de la commission des engagements financiers a été réparti entre les huit commissions permanentes créées par la réforme parlementaire, dont la Commission du budget et de l'administration, chacune examinant les dépenses engagées dans un mois par les ministères compris dans leur champ de compétence.

Ce mode de fonctionnement est intéressant parce qu'il permet aux parlementaires d'exercer un surveillance qui régulière sur la gestion courante des ministères. Au bout d'un certain temps, vous arrivez à très bien connaître le fonctionnement du ministère et les gestionnaires en place. De plus, la revue des dépenses s'effectue dans un bref laps de temps après que la dépense ait été engagée, ce qui confère un caractère d'actualité à l'exercise et qui suscite l'intérêt constant de la presse écrite et de la presse électronique.

Mais la formule a aussi des défauts. Comme l'exercice se fait en présence des ministres, les débats sont généralement assez partisans et les sous-ministres ne sont pas directement imputables; de plus, comme l'examen des engagements se fait un à un, mois par mois, et est divisé entre huit commissions, il ne nous est pas possible par ce moyen de faire un étude d'envergure gouvernementale ni de porter un jugement global sur la performance du ministère, notamment à savoir si celui-ci atteint les objectifs des programmes qu'il administre en termes d'efficacité et économie. C'est un peu comme si nous passions en revue les arbres qui nous empêchent de voir la forêt.

Aussi, depuis quelques années, et particulièrement depuis notre participation aux conférences de Régina et de Québec, nous avons constaté le travail important effectué par les comités des comptes publics canadiens. Nous nous sommes rendus compte que nous avions complètement laissé le soin au Vérificateur général d'assurer le contrôle parlementaire sur les dépenses publiques une fois que le cycle budgétaire est terminé, à la fin de l'année financière.

Nous nous sommes rendus compte, et je crois parler au nom de tous les membres de la commission, que nous pouvions tenter d'améliorer le contrôle parlementaire sur les finances publiques au Québec en intégrant l'examen des comptes publics, selon le modèle canadien, aux diverses fonctions que nous exerçons déjà, tels que l'étude des les crédits budgétaires, le budget et le suivi du budget, les engagements financiers, l'examen des activités et de la gestion des organismes publics.

Cette année, la commission s'est réunie à deux reprises afin d'entendre le Vérificateur général du Québec, la première fois en août 1987 pour le rapport de l'année terminée en 1986, puis en février 1988 pour le rapport de 1987. Ces travaux ont totalisé plus de 18 heures de séances, soit 11 pour-cent de la charge total de travail de la commission pour 1987-88. (Interruption)

Une, deux, est-ce que ça va? Ça va. Je me mettre un peu plus près, je m'éxcuse.

Nous avons employé plusieurs de moyens utilisés par la plupart des comités des comptes publics représentés ici. Nous avons tenu des séances préparatoires en présence de Vérificateur général, nous avons engagé des recherchistes pour cerner certains sujets avant l'audition.

Je crois que ces deux expériences ont soulevé un grand intérêt chez les membres de la commission et peut-être ont inquiété, si je peux m'exprimer ici, certains autres fonctionnaires. Ça nous a permis d'aller au fond de plusiers questions, de mieux comprendre le rapport de Vérificateur et de faire la lumière sur certains des problèmes soulevés dans le rapport de Vérificateur général.

Il y a également un consensus parmi les députés pour aller au-delà de la simple audition du Vérificateur général en convoquant les gestionnaires responsables de certains situations observées dans le rapport.

Nous avons éprouver quelques difficultés. Je vous avouerai cependant qu'il y a encore plusieurs difficultés à surmonter avant que nous arrivions d'une manière certaine. Certaines de ces difficultés sont techniques et peuvent être aplanies, d'autres sont des attitudes qui sont difficiles à changer.

Parmi les difficulté techniques, il y a d'abord les termes de notre mandate qui ne sont pas très clairs: Selon le Réglement, c'est une autre commission qui est chargée d'entendre annuellement le Vérificateur général; notre commission devra-t-elle continuellement demander la permission à la Chambre pour faire l'examen des comptes publics? Dans l'énoncé du champ de compétence de notre commission on retrouve l'expression "comptes publics" associée à finances, administration, services et approvisionnement, privatisation; est-ce que la commission est habilitée à enquêter sur des ministères ou organismes qui relèvent de la compétence d'autres commissions parlementaires, par exemple, du secteur de la santé?

Un problème plus grave est celui de la disponibilité des membres de la commission. Vous savez que, dans un année, nous effectuons en commission parlementaire 11 types d'activités différentes pour un total d'environ 150 heures de séances, sans compter le travail de préparation et d'organisation des travaux. Nos membres, tant du côté ministériel que de l'Opposition ont d'autres obligations à remplir, soit à remplir, soit à la Chambre, au comté ou au sein de leur parti.

Pour ne prendre que l'exemple des membres de l'Opposition, ceux-ci sont au nombre de 20 plus un député indépendant sur les 122 député de l'Assemblée nationale; tous sont membres de plusieurs commissions parlementaires et sont responsable de multiples dossiers. Quant aux députés ministériels, plusieurs font partie des comités extra-parlementaires qui demandent beaucoup de leur temps.

En supposant que nous réglons ces problèmes d'autre techniques, nos plus grandes difficultés sont au niveau des attitudes.

C'est un fait connu qu'il y a peu d'intérêt dans la population du Québec et chez les journalistes pour les questions de finances publiques; les gens veulent que la gestion publique soit propre et que cela ne leur coûte pas trop cher en impôts et en taxes. On ne voit pas encore se développer chez nous cette expression qui dit, j'en veux plus pour mon argent, en matière d'administration publique, en d'autres termes on ne se bat pas dans les autobus au Québec pour l'efficience de l'administration publique.

Il n'y a pas non plus de tradition parlementaire ou de préjugé favorable à l'égard d'une commission vouée à l'amélioration de la gestion des finances publiques. Les députés eux-mêmes, très pragmatique, en retirent peu de bénéfices personnels, ils sont donc peu motivés à accomplir cette tâche souvent abstraite et complexe. Les intérêts partisans, d'un côté comme de l'autre, font en sorte qu'il y a souvent de meilleurs moyens, moins coûteux en temps et en efforts personnels, pour faire avancer la cause du parti. Enfin, et ce n'est pas la moindre difficulté, il y a encore d'énormes réticences au sein de l'administration publique et du gouvernement à laisser un commission parlementaire, si crédible et si potentiellement utile soit-elle à faire des enquêtes sur la façon dont l'État administre les fond publics.

Alors, comme vous le voyez, ce n'est pas un tâche facile de modifier la situation actuelle au Québec. Je suis cependant confiant que, de petit pas en petit pas, nous nous dirigeons au Québec vers l'instauration d'une véritable imputabilité de l'administration publique devant le Parlement.

Nos orientations et objectifs, dans les mois et les années qui viennent, je serai satisfait si je suis en mesure de contribuer à ce que la commission que je préside atteigne les objectifs suivants:

Établir une tradition à l'égard de l'examen du rapport de Vérificateur général par la commission parlementaire, de telle sorte que celle-ci soit reconnue comme une institution crédible et utile à l'amélioration de la gestion des fonds publics; adapter au Québec, en l'intégrant aux fonctions actuelles de la Commission du budget et de l'administration, le modèle canadien de comité des comptes publics dans ce que je considère être ses quatre fonctions principales; entendre le Vérificateur sur son rapport; entendre la version des responsables administratifs des ministères; évaluer ces témoignages de façon à ce que la commission formule ses propres conclusions et recommandations dans un rapport débattu en Chambre; et assurer le suivi des recommandations de la commission et de celles du Vérificateur.

Actuellement, nous sommes au stade d'assurer la première fonction. Je suis confiant que nous arriverons bientôt à les exercer toutes.

En conclusion, je dirai que le modèle québéçois de contrôle parlementaire exercé par les commissions parlementaires en est déjà un des plus complets et des plus efficaces au Canada. Cependant, on peut encore l'améliorer en s'inspirant de ce qui se fait dans les autre commissions parlementaires canadiennes.

Je vous remercie Monsieur le Président. (Applause)

MR. CHAIRMAN: Thank you, Mr. Lemieux. I would like now to call on Mr. Harry Van Mulligan to speak for Saskatchewan.

MR. HARRY VAN MULLIGAN (Saskatchewan): Thank you, Mr. Chairman, ladies and gentlemen. I would like to just briefly deal with some of the features of the Saskatchewan Public Accounts Committee and dwell a little bit on the operation and the work of the last year.

The members are appointed for the whole term of the Legislative Assembly. The size is 10 members, 6 government and 4 Opposition. It meets in public with occasional in-camera briefings. The chairman is a member of the Opposition. Ministers, according to recent practice are no longer members of the committee. The provincial auditor and provincial controller attend the meetings and assist the committee as required.

Witnesses are deputy ministers and other senior civil servants. We meet regularly twice a week during the session and as needed between sessions. The average number of hours of sitting in recent years has been 40 hours per session.

We report regularly to the Legislative Assembly. I would just indicate that copies of our most recent report to the House are available for anyone that may wish them.

We review follow-up reports from the provincial controller regarding implementation of committee recommendations. Verbatim transcripts of meetings are published daily.

I just might dwell here with the mandate of the provincial auditor in Saskatchewan. In Saskatchewan the auditor is still restricted to the more traditional role of, one, attesting to the fairness of financial statements and two, examining and reporting on systems of internal control. The auditor does not have a specific mandate for comprehensive auditing, that is to say the reporting upon management control systems to ensure economy, efficiency and effectiveness.

While the current auditor's mandate may limit what information is provided by the auditor, the Public Accounts Committee has traditionally exercised the right to examine value for money issues.

Staffing. The Saskatchewan Public Accounts Committee has the services of a part time Clerk, but no research staff. The auditor and the controller provide some research and information at the request of the committee.

Now I have here a sub-heading called, Partisanship, and the person who provided me the briefing notes has simply put a question mark, but I think in cognizance of your direction, Mr. Chairman, I will not comment on that matter except to say that perhaps there is some partisanship on the committee. My vice-chairman says, no, that would not be possible.

Method of Operation. The committee begins by reviewing the provincial auditor's report and the follow-up report of the controller. The committee determines which departments and agencies to call. The committee sometimes finds it useful to designate lead questioners for each department to ensure preparation and participation by all members, but this is not always the case. Meetings are held and witnesses are questioned. The committee flags issues it wishes to address in its report.

As to the work of the past year, in February of this year the committee met and completed all of its outstanding work for the previous two years and then submitted a report to the House early in the session, and again, copies of that report are available here.

The committee's work for the current year has been delayed because of late tabling of the 1986-87 Public Accounts. They were not provided until May 19th, and the late tabling of the provincial auditor's report, which was not completed or tabled until May 31st of this year.

The committee met only five times before the end of the session on June 28th, therefore the bulk of this year's work, that is to say the review of those two reports for the fiscal year 1986-87, the bulk of that work is yet to be done. It is likely that the committee will meet some time after October of this year to continue and hopefully complete its work. Those are my comments to this point, Mr. Chairman. (Applause)

MR. CHAIRMAN: Thank you, Mr. Van Mulligan for your comments, we appreciate it. We will continue and ask a representative for the Yukon, I believe it is Mr. Willard Phelps, to be the spokesman for the Yukon.

MR. WILLARD PHELPS (Yukon): Thank you, Mr. Chairman. I will just give some of the highlights of our committee. It has been in operation since 1980. It is a five member committee, representative of the make up of the Legislature.

It has become a tradition that the Leader of the Opposition be the chairman of the committee. During the sitting of this Legislature the vice-chairman has been a member of the other Opposition Party.

The committee meets throughout the year, it does a lot of follow-up on previous recommendations, and I spoke at some length on that issue at last year's meetings that

we had. We also meet to plan and prepare for the formal hearings and those are held for two weeks each year, usually in January or February.

Up until this year the practice has been to examine two departments in some detail each year. As I have said, the formal hearings last for about two weeks, we have two hours of public hearings each morning during those two weeks when we examine the bureaucrats of the government in the departments and then we have a closed session to report items and to prepare for the next day.

We are assisted very ably by staff members from the Auditor General of Canada and by our Clerk, Missy Follwell. This year for the first time the committee hired its own researcher and that is because for the first time this year we did break tradition and instead of examining two departments we looked at the management of capital projects by government. The researcher that we hired was from a university that taught in the field of capital project management.

The reason that we moved into this new direction was that we had completed the full cycle of all the departments in the government and because the capital budget of the Yukon Government had increased by some 300 per cent in two years. So there was a lot of concern over the way in which the money was being spent and the controls in place, or lack thereof.

Because the subject matter of the report was different for a change, and because of the huge expenditures in the Yukon, the report received a lot more attention this year than previous reports have.

I think we will probably speak more to our report later, on the agenda, Mr. Chairman. I would like to say on behalf of all the members here, and we have four of our five members present, that we are looking forward very much to the next few days of discussions. Thank you. (Applause)

MR. CHAIRMAN: Thank you Mr. Phelps for your comments. I would like to continue on with our program and ask a representative for the Public Accounts Committee of Canada, and I understand the spokesman will be Mr. Hovdebo, the Member of Parliament who represents a riding in Saskatchewan.

MR. STAN HOVDEBO (Canada): Thank you, Mr. Chairman. I recognize that some of the members here will know the structure of the Canadian Public Accounts Committee but I will just go over it very quickly.

The Public Accounts Committee is made up of eight members, four of them from the government, the chairman is from the Opposition, there are two Liberals, one New Democrat and one Independent of the Opposition members. The present chairman is the honourable Aideen Nicholson, a member from one of the Toronto ridings. The Clerk is assigned full time and we have two researchers assigned. We are able to get other researchers as required.

Our approach in the committee can be broken down into three main areas. We do the Public Accounts of Canada, we haven't this year spent much time on it, in fact we have had a tendency generally to leave the Public Accounts structure to the Parliament itself and to the professionals.

The Auditor General's Report is the basis on which most of our work is done and then we spend a fair amount of time on rather special concerns that we have. Traditionally the Auditor General's Report has 10 or 12 chapters and 5 or 6 of them are comprehensive audits of departments and those comprehensive audits are done on a four year or five year rotation so that the same department will come up again in a few years.

We open the hearings fairly well. We usually have a briefing from staff, possibly with the principal from the Auditor General's office available as well. During the Public Accounts meetings themselves we have developed a structure where the questioning is sequential rather than jumping from one member to the other. We take a topic and we cover it fairly thoroughly before we go on to the next topic and all the members of the committee have the opportunity to question on that particular topic if they wish.

From the Auditor General's Report we pick the subject, we attempt to clarify the problem, the problem that is identified by the Auditor General's office, we investigate action being taken to improve the situation and we usually ask for further reports, that is we do some further action. We report to Parliament on each of our subjects that we choose. This last session we have reported 14 times to Parliament, but not all relative to the Auditor General's Report.

We started last year to do an annual report of the committee, that is a report which is a summary of the year's work. We also try to do a follow-up of as many of the reports as possible, reports of previous committees or requests that we have made of departments. The attempt is to impress on the department that we mean business and that if we do not get action we will be back to them again.

Special concerns. We spend a certain amount of time on current items. In the last year we have spent a considerable amount of time on our own effectiveness as a committee. We have some special concerns in financial management. We found in looking into it that the government computer systems were fairly elaborate but not particularly effective and we made some recommendations on that basis.

In looking into our own effectiveness, and here we found that most members were feeling rather frustrated because we felt that we were not getting the impact that we should from the work that we were doing and the recommendations that we were making. So we took a look at why the funds and appropriations, although they may be well spent and well accounted for, were not necessarily well directed. We felt that there should be some better effect of the work we were doing, a better impact on the government.

Toward that end we looked at our own role and we took a look at the role of the Public Accounts Committees in other countries. In the last couple of years we have gone to Britain and the United States and this last year we made one trip, including Germany, the Netherlands and Sweden. We made a report to the House after that trip, and after looking at our impact and we recommended the coordinating of committees, the estimates and Public Accounts to tighten up the process and increase the effectiveness.

In the process we also recommended in the Twelfth Report, which is available if anybody wants to see it, a new budget or appropriation committee with power to

write down, change or hold up estimates. We also recommended a look at the confidence or non-confidence structure tradition to be examined within Parliament.

According to the Parliamentary Reform, the McGrath Report which has been before Parliament for some time we also have continuously for a considerable time been recommending to Parliament periodic reporting instead of annual reporting. We found that in the European countries most of the Auditor Generals' Reports when they are through an audit and we have recommended that to the Parliament of Canada on several occasions.

We had some small successes during the year. We again felt that we should be able to point to some of our successes, so we now try to indicate successes in terms of savings to the government. You will find in some of our reports specific savings that we suggest have happened because we took up an issue.

All remission items from customs and taxation are now tabled in Parliament, they have not been in the past. We think we even have had the effect of having one, at least, the Indian Act amended because of our concerns with those.

We are going to be carrying out a study on the structure and the effectiveness of the Public Accounts Committee and on cash management within the Parliament and we have set the terms of reference, and again that is available to any members who wish to have it. Thank you. (Applause)

MR. CHAIRMAN: Thank you very much. I think we will move on to one more spokesperson before we take a break and it would be Mr. Pashak representing the Province of Alberta.

MR. BARRY PASHAK (Alberta): Thank you very much, Mr. Chairman. I would like to just say at the outset how delighted the Alberta delegation is to be here in the beautiful and historic City of Halifax. Mr. Moore, the co-chairman of our committee served here in the Canadian Navy during the war years, on the convoy ships, so he is especially pleased to be back.

This is my third year as Chair of the Public Accounts Committee of the Province of Alberta and I would like to compliment the organizers of this conference. They are following in the good footsteps of Quebec last year and Saskatchewan the year before that, in terms of planning and preparation for this conference.

I have very little to report in the way of change as far as our own committee is concerned, but I will just go through it quickly for the benefit of people who are new to the Canadian Public Accounts Committee Conference.

We have 21 members, which is a large committee, 15 of the members are from the government side, 6 are Opposition members. The chair is appointed by the Official Opposition and the co-chair comes from the government side.

We only meet during the session. We meet every Wednesday morning for approximately one and one-half hours. We begin by having the Auditor General come before the committee and that usually takes two sessions, and we go over his report. This is a copy of our Auditor General's Report for the fiscal year ending March 31, 1987. It

contains within it some 48 different recommendations that would improve the audits for various government ministries.

After we are finished meeting with the Auditor General the committee then determines an order by which ministers appear before the committee and the ministers will usually in most cases bring with them their deputy ministers and sometimes other members of their departments as well to answer questions.

The members will raise their hands, I will recognize a member, the member gets to ask one question and two supplementaries and then we move on to another member. When we have completed all the members who are on the list and the member has asked his question, his name can go to the bottom of the list and we start over again.

So we have a fairly restricted mandate compared to what I have heard from people from other committees. We essentially just deal with the Auditor General's Report as it affects a minister and then we will also turn to the accounts documents themselves and members will ask questions that have to do with actual expenditures of the department.

It is sometimes very difficult to keep the members to this because it would seem to be a rather boring and mundane kind of thing to do and members, as you can imagine, would rather get into policy areas. Under instructions from the committee itself I try to cut that off, I try to keep the attention focused just on the accounts. I think in doing that we provide a reasonably valuable public service in the sense that we do augment what it is the Auditor General is trying to do. We think it causes various ministers to be more sensitive to the recommendations that the Auditor General is putting forward.

Mr. Moore and I would probably disagree on reforms that I think would be essential to improve the process of our committee. I, for example, believe that the committee should be much smaller, that the ministers should not be present, that we should really be interviewing the deputy ministers and people who are actually expending the funds to make sure that they are spending money in line with government policies that have been decided previously. I would also like to see members complete a line of questioning rather than just be limited to three questions. With that I will just conclude my remarks and thank you again, Mr. Chairman. (Applause)

MR. CHAIRMAN: Thank you, Mr. Pashak. What I would like to do now is to thank everybody who has spoken so far for your brevity and conciseness. We are on schedule, maybe a touch ahead of schedule. I would like to say that we have refreshments in the Red Room at the other end of the building. We are going to take a break until 10:30. I would like to start precisely at 10:30 and then we will conclude the round table and we might even finish a little early. There is going to be a group photograph taken at the end of the session. The weather looks like it is a little better and we may be able to do it outside. So we will break until 10:30 a.m. and we will see you back here. Thank you very much.

[9:54 a.m.]

[10:34 a.m.]

MR. CHAIRMAN: I would like to resume the session please. For the balance of the morning we will have Ms. Marzari speak. I would just mention that at the end of the report from each committee, the weather looks fine and we will be heading outside to get a group picture, a Ben Hur type shot of the whole works. Following that we will adjourn for lunch at the Sheraton Hotel in Ballrooms B and C where we had the reception last night. We are due back here to be under way at 2:00 p.m.

So 2:00 p.m. is when we will resume after lunch, I will just remind you now, so we will finish up and then we will have the photograph. Even if we are a little ahead of schedule we will adjourn for the luncheon, which I believe is something like 12:00 p.m., 12:15 p.m. for 12:30 p.m., that is the general time the luncheon starts at the Sheraton Hotel.

So with that I would ask Darlene Marzari to lead off, please.

MS. DARLENE MARZARI (British Columbia): Thank you, Mr. Chairman. Last year I talked for a few minutes about the Public Accounts Committee in British Columbia and about some of the constraints that I felt were held against the Public Accounts Committee trying to do their most effective and efficient job of looking at Public Accounts in the previous fiscal year, of working with the Auditor General, of working with the Controller General, to produce an accountability cycle that we could all be proud of and we could all say, in fact, that the Public Accounts had been looked at, had been investigated and in fact the job had been done.

This year I return to this same forum, different location, to report that British Columbia has made some small gains in the last year in terms of pushing towards a consensus model of decision-making rather than a partisan model of obstructionism.

I would like to talk to you about the processes that we structure ourselves by and the processes that we use to try to achieve these almost unattainable goals using the parliamentary model.

Structurally our committee is composed of 12 people, 8 from the government side, 4 Opposition, an Opposition Chair, myself, from the New Democratic Party. There are three Cabinet Ministers on our committee which can prove difficult and does reinforce a partisan element on our committee.

Issue-wise we deal with the Auditor General's Reports basically, although we are mandated, of course, to look at the Public Accounts. This year the Auditor General produced one report, but dealing with about 15 areas, some of them strictly on a financial audit and three or four departments were looked at in a comprehensive way. So we do a partial financial, partial comprehensive audit, looking at value for money and efficiency and in the comprehensive areas we looked at education this year and the ministry of Minerals, Mines and Resources.

The Auditor General brought forward these issues and we dealt with them, but I think for the purposes of this meeting and to talk about process a little bit, a good number of our meetings dealt with the Auditor General's office and its budget and its reporting mechanisms and its budgetary requirements. It was important that we dealt with this this year because it is a procedural thing, it is an infrastructure thing that

has to do with how well our committee functions and unless we look at those procedural things we are always going to be a little bit behind the eight ball, because if the Auditor General is hamstrung and the Auditor General cannot produce the kinds of reports he or she wants to produce, special reports beyond financial auditing, then we are in fact not doing our job and if the Auditor General is receiving his or her dollars from Treasury Board, the committee of Cabinet, as opposed to taking his or her estimates to a bipartisan committee of the House, then the Auditor General is probably not getting the dollars that they need and the tools that they need.

Consequently the Auditor General came to our committee and said, give me a budgetary reporting mechanism that I can work well with, give me a bipartisan committee please, whether it is you, the Public Accounts Committee, or whether it is a special legislative committee that might deal with the Ombudsman, with the Registrar of Voters, with other so-called non-political positions, give me somebody that I can work with to get my bucks from.

We spent 5 hours of our 12 hours of meeting time on this one item. Now that just tells you how important that particular bit of infrastructure is to our committee. It was not necessarily resolved to my satisfaction, but nonetheless the issue is on the floor and it was placed on the floor of the House by myself when I gave the final report two weeks ago. The Auditor General and myself and a few other members of the committee will continue to work towards some kind of rational planning process here.

So that is one piece of infrastructure that we have yet to put into place. What is going for us, and I want to underline this again and again and again, for us in terms of Public Accounts accountability, in terms of infrastructure is our Clerk, who sits here on my left, Craig James. We stole him away from Saskatchewan two years ago. He has been clerking all the committees of the House in British Columbia, such as they are, and doing an excellent job, and it is because of Craig James, I should say, that we have now really for the first time substantive documents called reports. Although this was the 113th report of the Public Accounts Committee it is the first one that I think could be called a comprehensive and an accountable report, I think we are circulating it, are we not Craig, and actually help the committee to function.

I should tell you that we have come a long way in B.C. from a committee that barely met and when it did meet it met on a show business model to a committee that meets regularly and tries to achieve, as I say, a consensual model of working, although partisanship plays a very large part in what we do and what we cannot do.

Our committee has also, through Craig, produced a report for the Canadian Council on Public Accounts and in this report, which you have ostensibly all received, we have a breakdown of everyone in this room and all of our committees and some indication of how we function, so I hope this will be useful to members in this room.

The future. We have our ups and we have our downs, but the future of our committee, hopefully, will be to come more and more to a sense that good management, proper efficient use of public dollars is in all our interests no matter what our political affiliation, that we will all get our political brownie points by being good legislators and efficient administrators if we can be and that the consensus model which I gather works in some provinces quite well and which I gather Ontario is striving towards is something that we might work towards in British Columbia.

I am firmly of the opinion that as we go through the subcommittee report in the next two days that there are elements there that if we can all agree on them might bring us towards a consensual model of Public Accounts formulation and structures.

I am also of the opinion that this council can do far more than meet once a year, that perhaps we can start sponsoring special trips for us, or trips for people, for example, from Australia to talk to us about Public Accounts in other regions, in other countries.

It might even be useful for many of us to even visit Ottawa, perhaps, to take a look at the federal model which seems to work on a consensus basis, much more than some of the provinces do.

I will leave it at that. I know that I have thrown a lot of controversial items on the floor, but I see that the only way of really improving the situation for all of us is to work better together and to reinforce each other as we move towards a more efficient and effective way of viewing Public Accounts across the country. Thank you. (Applause)

MR. CHAIRMAN: Thank you very much, Ms. Marzari. Thank you for your comments.

I would like now to move on to Dr. Kal Seaman, who is Vice-Chairman of the committee in New Brunswick. I call on Dr. Seaman.

DR. KAL SEAMAN (New Brunswick): Thank you, Mr. Chairman. First of all, let me say that I want to extend my congratulations to you and your committee for putting on such a fine program for us. This is my first effort in politics and my first visit with your committee and I appreciate being here very much.

The name of Hubert Seamans that you see on your delegate list, who was to be here, is the Chairman of our committee, he is not able to be here and I appreciate being a replacement for him.

As far as the Public Accounts Committee, my knowledge of it is so limited that I would appreciate it if you would bear with me and ask the Clerk of our House, Mr. David Peterson, to give you a better picture of what our Public Accounts Committee is all about. If you will agree, Mr. David Peterson will carry that on for me.

MR. CHAIRMAN: Mr. Peterson.

MR. DAVID PETERSON (New Brunswick): Thank you, Mr. Chairman. Ladies and gentlemen, perhaps first I should say that the present circumstances in New Brunswick, I have been giving serious thought to establishing a Speaker's Bureau and the subject, of course, would be New Brunswick, the model Legislature. (Laughter)

Under our new formula, our Public Accounts Committee met for the first time in April, under the new zero-based Opposition formula that we now have. One of our biggest problems, of course, New Brunswick has had a long-standing tradition in Public Accounts Committees of having the Chairman being elected from a member of the Official Opposition. Some difficulties, of course, were presented to the new committee with their present structure. The committee did, however, meet. Unfortunately, the

October election and the six months that followed that certainly placed the Public Accounts Committee in a position where the accounts that they were being asked to consider were so old that there was really very little interest either from the media or the public and certainly it was difficult for the members to show much enthusiasm for such a tired document.

What also caused part of that problem was that the government had, right after the election, established an independent audit. So we had had six to seven months of public scrutiny on behalf of the government of those accounts and I think that they had been so much talked about that there was very little interest in them. What did happen with the committee, though, was that it was an excellent opportunity or a learning experience for the new members. Certainly out of the 15, I am sure that 12 or 13 of them were new members and they did have an opportunity to learn the process, if you will, of being a member of the Public Accounts.

What we did not tell them, of course, was that the history of the New Brunswick Public Accounts Committee, and I should say as an aside that until I read the report for this meeting on the Guidelines for Public Accounts Committees in Canada, having only been 10 years at the table in New Brunswick I didn't know that there was such a thing as a non-partisan Public Accounts Committee. So it was educational to hear that there might be such a thing somewhere in the country, and certainly in New Brunswick the history was that the questions were asked by the Opposition members of the committee. The government members usually sat by and let the Opposition members do their thing.

To just reinforce that, I had a conversation last night with our auditor and, of course, he made the comment to me that it was the first time in his term of office that he had ever been asked questions by all members of the committee. I think that was a reflection of the fact that the questions were always asked in our House by the Opposition members.

One of the problems, of course, that we had with no Opposition was that there was a tremendous guilt feeling of Liberal politicians in New Brunswick in how to accommodate this fact, that they did in fact dominate this House, and spent a considerable amount of time, at the start at least, having to apologize for that. That did not last very long. I think that they did realize that there were two other Parties in New Brunswick, although they had no members in the House they were out there, so means had to be found in Public Accounts to give those Parties an opportunity to be heard.

What the committee did, and really no changes had to be made in our rules or our practices in order to accommodate that, it simply provided the opportunity to members of the Progressive Conservatives and the New Democrats to appear as witnesses in front of the committee and then to allow them, on an experimental basis at least, some latitude in examining or questioning the items that they were raising in their presentation. We started off somewhat tentatively in allowing them to appear as witnesses to make a presentation and then to see how that worked as far as allowing them to follow up with other questions. Certainly there was some concern among the committee members, I think, that they did not want the process of a witness appearing to get out of hand.

I think we can look back upon it and say that there was no real problem with that, that the one Party did show some interest in appearing and the other did not. They did send representatives on most departments and they did make a presentation. They did then carry out with the staff there some questioning, if you will, on a very polite basis and with really very little confrontation between the members of the committee and the presenters. Probably not viewed as a happy situation, but better than nothing, I would think, would be a fair comment.

Probably the most disappointed people in New Brunswick with the present environment would have to be the media. Attendance at the Public Accounts Committee by the media was very poor. They saw very little dirt coming out of the committee and therefore found it very boring and, as a result, reflected in their poor attendance.

One of the probably positive things that came out of our present circumstances was the fact that when the government and the Legislature looked at ways of trying to improve the Opposition or the oversight function, if you will, outside of the House, a decision was made to fund for the first time in New Brunwick a legislative research service. We now have, or will have as of August 15th, three very qualified non-partisan research staff supported by a very qualified and competent secretary, who for the first time will be assigned to committees of the Legislature. Public Accounts will certainly benefit by having in effect a full time researcher assigned to them which they have never had in the past.

Some of the results, I suppose, from the first experience with the Public Accounts Committee, I would say that we probably have the opportunity in New Brunswick now if we seize upon it to establish a model Public Accounts Committee. I think that there will be that opportunity, certainly for the next three or four years, to establish a non-partisan, very investigative-minded, competent committee with a good research and support staff to assist the members and, hopefully, to see non-partisan, very positive reports coming out of the committee. Thank you. (Applause)

MR. CHAIRMAN: Thank you very much, Mr. Peterson. I appreciate your report and I thank Dr. Seaman. I would like now to move on and ask Mr. Winston Baker to speak on behalf of the Province of Newfoundland and Labrador.

MR. WINSTON BAKER (Newfoundland): Thank you very much, Mr. Chairman. I was very interested in listening to New Brunswick and what Mr. Peterson had to say. I guess we all were looking forward to the report from New Brunswick. It is an unusual situation and it will be interesting to see over the years how things progress there in terms of Public Accounts.

I would like to make one comment to him though, that I would suggest that the non-partisan nature of a Public Accounts Committee can be looked upon the same way as the non-partisan nature of the Speaker in the House, and depending on the Legislatures how that works. One way to accomplish it, of course, is what we have done in Newfoundland and that is to have a committee chairman who has had associations over his short lifetime with all three political Parties and embodies the ideal of non-partisanship, I suppose, but that is kind of unusual and can only happen in a place like Newfoundland.

Our Public Accounts Committee is made of seven members, four government, three Opposition. The Opposition has the chairmanship and the government has the

vice-chairmanship. The chairman and the vice-chairman act as a steering committee and make a number of decisions relating to the committee that sometimes we bring back to the committee and sometimes we do not because a lot of the work of the steering committee is largely routine. The combination of chairman and vice-chairman from government Opposition helps us out in our work a little bit in the sense that we, behind closed doors, solve a lot of the partisan problems that crop up in committee. Obviously, we cannot have a totally non-partisan committee, no such thing exists. There are no non-partisan politicians, I have yet to meet one.

We have our public hearings in the fall. We spend the time before that getting ready, having research done and so on. We usually pick about 8 or 10 topics to examine, either from the Auditor General's Report or outside the Auditor General's Report, then the research is done. We are fortunate enough to have a full time researcher. We have a committee budget and we not only have the use of the researcher, but we can hire outside expertise in various areas. So, the research is done; the committee, item by item, has information sessions in private concerning the items so that everybody is fully familiar with what the items entail; briefing papers are provided for all committee members and so on. Then we have our public hearings. The public hearings on some items, we would have maybe 12 to 14 hours of public hearings, other items only one to two hours of public hearings.

When we finish dealing with the items then, of course, we do our report. We do our report in private in terms of the recommendations. Our report is put together and we present one report a year. That report stands on its own. In other words, we will deal with the items. We will, first of all, state the problem then we will state the government response to that problem, then we will summarize the information gathered during the public hearing, then we will present our findings on that information and then make our recommendations on each item so that each item stands on its own in that one report.

Over the years, we have dealt with a variety of items. One thing, that I might mention that might be of interest to some of you, that we dealt with in the past year had to do with the Marine Institute where government money and the buying power of government money was being used by employees to make purchases below normal costs that an individual would have to pay. In this case it was personal computers for the private use of staff. There are a couple of interesting things there in the sense that they were using, originally to make the purchase, government money, not their own and they were paying off the computers over a period of time. Another interesting aspect of it is that the government money was being used to buy the computers and then they were sold back to a leasing company and so on, that kind of arrangement, the lease-out arrangement. It was an interesting little item.

I do not know if any other jurisdictions have run into it, but we found it interesting to deal with. At what point do you draw the line? Where do you draw the line between rulers being provided to employees and personal computers depending on the use it is put to? So, perhaps if anybody is particularly interested in that item, we could provide them with a copy of our Public Accounts Committee report for last year where the whole thing is outlined.

Our plans are already underway, of course, for this fall. Our report was presented to the House of Assembly about one and one-half months ago. So, we are already making plans for this fall. Normally in Newfoundland, we do not deal with whole

government departments at a time. Normally we deal with specific problems. This fall we are doing something different. We are dealing with a whole government department. We want to get into the area of municipal infrastructure generally. So, we are doing this kind of on our own. It does not come directly from the Auditor General, but it is something we thought that we had to have a look at. In that, of course, we are going to be having a look at not only the past expenditures, but ways of making that kind of expenditure more efficient and other sources of money to provide municipal infrastructure because it is a real problem in Newfoundland.

Anyway, Mr. Chairman, that is sort of a general summary of how our committee operates. I have two other members here with me from the committee in Newfoundland. Both are virginal members of the committee. They have not attended a hearing yet. They were recently appointed. One gentleman was elected in a bi-election recently. We have had kind of a shake up in our Public Accounts Committee. One of the members resigned to provide a seat for the Leader of the Liberal Party and another member crossed the floor. We have had all kinds of exciting things happening in Newfoundland. So, we had to have a shake up in our Public Accounts Committee. Two brand new members and I hope it is an educational experience for them. Thank you, Mr. Chairman. (Applause)

MR. CHAIRMAN: I want to thank Mr. Baker for his comments. After lunch today we will be hearing from Mr. Baker on the report on which he worked along with several other jurisdictions and we will be looking forward to that. I thank him for his comments at this time.

I would now like to move to Mr. Henry Zoe, who is the Deputy Chairman of the Standing Committee in the Northwest Territories. I would ask Mr. Zoe, who we are glad to have with us, he has come a long distance, close to the longest, to speak to us now. Thank you, Mr. Zoe.

MR. HENRY ZOE (Northwest Territories): Mr. Chairman, the Northwest Territories Public Accounts Committee reflects the unique nature of territorial government. As members may be aware, we have just had our general election which was held in the fall of 1987 and our new Public Accounts Committee was also selected at that time. So I would like to give you a little briefing on our Legislature.

Our territorial Legislature operates under a consensus government system. The House has 24 members. This group of 24 then selects a Government Leader and seven other members to make up the Executive Council. These eight members oversee the daily operation of the government on behalf of the entire Assembly.

Our Public Accounts Committee consists of seven members who are not part of the Executive Council. For our support staff, the committee has a committee clerk and a researcher, who are both here with me, Miss Rhoda Perkison our clerk and Miss Lynn Elkin Hall our researcher.

The current members of our standing committee has a number of new members as well as those who have previous Public Accounts experience, such as our Chairman, Mr. Ted Richard.

Initial preparation for our Standing Committee on Public Accounts annual review involved a meeting between the staff of the Auditor General of Canada and our

committee chairman and our researcher. This meeting, in early March, allowed the Auditor General's staff to provide a briefing on their reports and answers to any questions that our committee brought forward. Also in March, committee members received copies of various documents to be considered.

Our committee held its review of the 1986-87 Public Accounts on March 26th, 28th and 29th, 1988. The first day was a closed session to allow committee members and staff to review the various reports. On March 28th and March 29th, public sessions were held in the morning and evening. During the afternoon, the House was sitting, so the only time we had was the evening sessions for our Public Accounts. Senior departmental officials were called to appear before the committee as witnesses during the public sessions. As has been the case in the past, many of the questions were directed to the Territorial Comptroller General and the Financial Management Secretariat.

Mr. Chairman, there were four major documents that were reviewed by our Standing Committee on Public Accounts during its review. These documents were:

(1) Public Accounts for the Fiscal Year 1986-87.

This document was prepared by the government of the Territories and was audited by the staff of the Auditor General of Canada. Public Accounts contained four major sections: the Auditor's Report; the Financial Statements; the Supplementary Schedules to the Financial Statements, these schedules are unaudited; and the Supplementary Financial Statements including the statements of various corporations, boards, agencies and other funds.

(2) Report to the Legislative Assembly of the NWT on Other Matters for the year ended March 31, 1987.

This report by the Auditor General of Canada dealt with other matters arising from the examination of the accounts and financial statements of the government. The report included recommendations from the Auditor General and related management responses.

(3) Departmental Responses to Recommendations.

The Comptroller General for the government provided the committee with a package containing departmental responses to recommendations arising from previous Public Accounts examinations. This package was very useful to the committee for determining which issues and recommendations were still outstanding or had not been addressed to the committee's satisfaction.

(4) The Comprehensive Audit of the NWT Housing Corporation.

The Housing Corporation of the Northwest Territories is the agency which produces the public housing in all communities across the Northwest Territories.

A comprehensive audit of the Housing Corporation was conducted by the Auditor General of Canada as a result of requests from the Special Committee on Housing and our Standing Committee on Public Accounts. This audit was completed in July 1987. The audit was different than most audits because it did not deal specifically or in any

detail with the corporation's financial statements, instead the audit examined the operations of the corporation.

The recommendations in the audit were discussed with the Housing Corporation and management's responses were included in this report. Because many of the recommendations made by the Auditor General were long-term in nature, our Standing Committee on Public Accounts will be reviewing the progress of the corporation in implementing the recommendations in future years as well as in this current year.

In addition to the Housing Corporation audit, which required a different approach than the Public Accounts, our committee had to address some major issues during our March session. These included: inappropriate use of supplementary appropriation after year-end; monitoring of northern ownership; and the financial implications of long-term leases.

In conclusion, Mr. Chairman, the past year has provided valuable experience in our Public Accounts area, particularly for our many new committee members. With this experience and knowledge, members of our Standing Committee on Public Accounts look forward to an even more productive Public Accounts review in the spring of 1989. Thank you. (Applause)

MR. CHAIRMAN: Thank you very much, Mr. Zoe, for your report.

We will now move on to the last person to speak on the round table, last but not least is Mr. Ed Philip, the Chairman of the Ontario Public Accounts Committee.

MR. ED PHILIP (Ontario): Thank you, Mr. Chairman. Our committee was appointed on November 23, 1987, following an election. The committee devoted most of the remainder of 1987 to professional development activities of the committee. Our committee consists of six Liberals, two New Democrats, two Conservatives and the Chair is a New Democrat.

In addition we have an excellent researcher from the Legislative Library research, Wendy MacDonald and a part time research backup by the Legislative Library research when Wendy and the committee feel that that is necessary.

We have a clerk assigned to the committee who, while working with other committees spends most of his time, and that is Doug Arnott, who is also present with us here.

During the first meeting the committee was briefed on the history and operations and procedures of the committee, the following week the Chair and three members of the committee and staff attended the Eighth Annual Conference of the Canadian Comprehensive Auditing Foundation in Ottawa and we in turn briefed our committee, as a whole, on what happened there.

In December 1987 the committee met with the former Chairman of the Public Accounts Committee, Mr. Patrick Reid, to hear and discuss his views on the goals and responsibilities and the effective functioning of the Public Accounts Committee.

Mr. Reid had played a major role in developing some of the processes over the years as the chairman during the 1970's and early 1980's. In early March the committee

travelled to Ottawa and Washington to observe the Ottawa committee to meet with the Auditor General's staff and the Controller General of Canada, and also to meet with some of the congressional chairs, such as some of the oversight committees.

The committee has reviewed a large number of the procedural innovations and while we have not written our final report on that we have developed a number of procedures that we feel have been of assistance to the committee.

Specifically we have been using in-depth briefings and preparation prior to hearings. With the assistance of our research staff the committee assesses the auditor's findings and develops lines of inquiry we intend to take during the hearing.

We have also developed a process of frequent reports and you will see a number of the reports on the table out there and there are more that I gather have been lost by Purolator, but are on their way somewhere.

The reports we feel have the value of timeliness inasmuch as we do not have to wait for our annual report for a particular ministry to have to come to grips with our recommendations. We also feel that the committee can strengthen our follow-up by making recommendations which can be monitored and we can recall the ministry, if required, at a timely date.

Many of our specific reports contain 120 day clause, namely that the particular ministry must report back to us within 120 days on the action they have taken to implement our report recommendations.

The committee can also make use of its work public on an issue by issue basis and we feel that that in turn puts additional pressure on the ministries to comply with our recommendations.

We have had increased follow-up as a procedure, which we felt seems to work, including onsite visits such as the one that we intend to take to psychiatric hospitals as a result of our inquiry into the Ministry of Health concerns.

We also make recommendations that a ministry or agency prepare a report at specific times and also in some instances request that the Auditor General do follow-up audits by a certain time and report back to the committee.

We have also found that by developing a process of increased integration of our work with other legislative committees we can cut down on the temptation to move into policy areas. So the committee, for example, has recommended that the Standing Committee on Social Development conduct an investigation into community housing of ex-psychiatric patients. Our committee felt that while we had dealt with the matter from a Public Accounts point of view that to do further investigation on our own into that area would lead us into policy areas and that it should be sent to a committee that will deal with policy matters.

We have turned out a number of special reports. The one that you may find the most interesting is a Special Report on Reform of the Estimates Process. It was tabled in June 1988, it basically concludes what the Auditor has said, which is that the estimate process is, for the most part irrelevant and that a new process has to be developed with more in-depth research and investigation. We have made a number of

proposals to connect the estimates committee, which we are proposing, with the Public Accounts Committee.

We also have an interim report dealing with the findings of inadequate enforcement on pollution controls. As I mentioned we have a report also on the Health Care Services, particularly concerning OHIP payments and the follow-up on ex-psychiatric patients.

The third interim report tabled on June 29th deals with concerns of the auditor's findings on numerous operating deficiencies in the LCBO, the Liquor Control Board of Ontario.

Our fourth report tabled July 6, 1988, concerns the auditor's findings regarding Ontario Housing Corporation.

We have current investigations which we will be tabling reports on and we have finalized concerning the Ministry of Skills Developments, the Solicitor General, continuing delays and cost-overruns in the development of a new telecommunication system in Ontario. The Ministry of Correctional Services with inadequate monitoring of costs and the staffing of our institutions, Management Board Secretariat deficiencies in auditing practices, the Ministry of Colleges and Universities, Ontario Student Assistance Program with deficient financial controls on the activities of the financial aid offices and institutions, and the Ministry of Northern Development and Mines concerning project management weaknesses in its geological surveys. We are also looking into the whole area of transfer payments and that is an ongoing concern of the committee.

I have a fairly detailed report which I have simply excerpted certain sections of and summarized, and that report on our current activities is available also on the table. Thank you very much, Mr. Chairman. (Applause)

MR. CHAIRMAN: Thank you very much Mr. Philip for your report.

I am pleased to report that we are running ahead of schedule. I would like to make a few brief announcements and then we will proceed to have the group photograph taken.

If you want, you should feel free to leave any documents on the desks that you have been using. There will be somebody here to watch the room until we get back, which is at 2:00 p.m. So if you want to leave anything, please feel free to leave your documents, your notes, your briefing books, whatever the case may be.

Just to remind, once we take the photograph, we will go back to the Sheraton and we will have a lunch. A lunch will be served there, it will be a joint luncheon with the Legislative Auditors. It will be in Halifax Ballrooms B and C, the same rooms that we used for the reception last night, for those of you who were there.

I also want to ask that, since we are getting off a little early now, that you please come back so that we can start at 2:00 p.m. sharp. We have to stop a little bit early this afternoon so that we can get underway to Hubbards and to the Shore Club. So I would like to ask you to please be here for 2:00 p.m. so we can get underway at 2:00 p.m. sharp.

I might just ask before I call for an adjournment now to have the group photograph, if anybody has any questions please raise them. If there is anything that is on anybody's mind please raise it and I will try to answer it as best I can. (Interruption)

The question was, where do we go for the photograph? We go down the stairs, outside and then to the right as you go out the door. There is a statue of Joseph Howe, basically the south end of this building, so it is that end, the Red Room end outside in the garden. If we gather around the statue, I understand the photographer is going to get us lined up and then he is going come up and take the picture out the window towards the garden so he can get us all in. So that is where we go when we finish.

Does anybody have any other questions? If not, I ask that we adjourn. Please come out to get the picture taken, then the luncheon is 12:15 p.m. for 12:30 p.m. and please come back for 2:00 p.m. Thank you.

[11:19 a.m.]

[2:04 p.m.]

SECOND SESSION

Model Public Accounts Committee

MR. CHAIRMAN: We will now get underway. We are going to try to finish up this afternoon at approximately 4:15 p.m. We are going to go now until about 3:10 p.m. and then we will take a brief pause. In any event, we want to get underway.

Our topic this afternoon is the work of the so-called Baker Committee, with Mr. Philip, Miss Marzari and the work of Aideen Nicholson. I am sure some members have their copies with them. I believe there are some copies outside that were provided outside the door.

The procedure for this afternoon, we would call on members of the committee that are here to give an outline of how the report was developed. Maybe a little talk about how they suggest we might follow up on it. Then we will, hopefully, have some time for a bit of a round table discussion on it this afternoon.

So with that, I would like to turn it over to Winston Baker of Newfoundland, who was the Chair of that particular committee. When Darlene Marzari comes in, she will be joining these other two gentlemen at the table, but we will get underway now. Thank you.

MR. WINSTON BAKER (Newfoundland): Thank you, Mr. Chairman. The committee was set up a year ago in Quebec City. There was a subcommittee struck and the terms of reference were to develop guidelines for a model Public Accounts Committee in Canada to report its findings to the meeting in July 1988. So here we are.

The report has been distributed, you have all had a chance to look at it, anybody who is missing a copy can pick one up outside the door, we will have lots of spares.

First of all, I would like to point out a few things about the committee and about the report. The members of the committee were Darlene Marzari from British Columbia, myself from Newfoundland, from Ottawa Aideen Nicholson and from Toronto Ed Philip. As usual, of course, Ontario had control of the committee, they had half of the members, nothing unusual about that, with the token representation from the West and East Coasts.

MR. ED PHILIP (Ontario): Ottawa doesn't consider that the Ontario Legislature is part of the same province anyway sometimes.

MR. WINSTON BAKER (Newfoundland): East and West, we don't distinguish, they are all central Canada, right? Anyway, we first of all developed an outline of topics that we would include in the report. We had a meeting in November, I believe it was, in Ottawa and it took two full days, where we went over the outline that we had and had a two day discussion on the various aspects of the report. Then any further communication was either by telephone or through mail. There was feedback from members of the committee, the report was put together.

The actual physical putting together of the report was done in Newfoundland, and at this point I would like to publicly say that the writing of the report, the compiling of the information, the hours and hours of writing, rewriting that went into this, all this was done by the research officer that we have, Dick Porter, who is a very thoughtful, intelligent and a skilled young gentleman that we are very fortunate to have. So it is all his sweat and work that went into this report and not as much mine or the committee. So I would like to thank Dick publicly for the work that he put into it.

We were operating on a couple of premises and I think it is important that you realize what these premises were. First of all, we didn't really start off with the idea that we were going to do what is in fact a model Public Accounts Committee, even though that was what we were directed to do. We decided we would put together guidelines, something to aim for in the future. We eliminated right away the idea of describing what Public Accounts Committees do at the present time in the country. We didn't want to simply have a description of the average Public Accounts Committee in Canada. We wanted to describe or put on paper a set of guidelines for new committee members, for committee members all over the country to have a look at and something that, I suppose, they could say yes, this, perhaps, is a good idea, maybe we could aim towards having that kind of a Public Accounts Committee in our province.

It was based on the idea, I suppose, and I think this is important, that in the process of governing and in the process of spending money and allocating money there are a number of steps that are gone through. The Premier, Finance Minister, Cabinet puts together a budget, that is the expected or hoped for expenditure for the year. Then that is brought to the Legislature and in the Legislature there is a certain amount of scrutiny given the budget through the Budget Speech process, the Budget Speech debate, through the estimates committee process and the function of these, of course, is to examine the government's proposed budget and to make whatever comments they want on it, largely political in most cases. The government doesn't get any money, of course, until the Legislature gives the money to the government.

Now then, at that point, the Legislature has scrutinized the projected spending of the government and the government now goes ahead and does its spending. To complete

the cycle, to complete the legislative accountability, somebody has to look at that expenditure and to, again, report back to the House. Because it makes no sense that the House approve the expenditure and then not check and see if the expenditure were done properly or efficiently or what have you. So it is the function of the Public Accounts Committee then to have a look at that expenditure so that the cycle is complete, so that the whole thing comes back to the House.

We, this committee, were looking at this in that light, that it had this function to perform, it was a serious function and a necessary function in terms of the government of a province or a country, absolutely necessary to have that final step in accountability brought back to the Legislature. That was the function of the Public Accounts Committee.

We know that the Public Accounts Committee, the members are partisan. However, we decided to do our report on the basis that the Public Accounts Committee and the members of the Public Accounts Committee, their function was to try to fulfil, to do this important service for their jurisdiction. That was the motivating influence of PAC members, to do that very important job. We all know the reality.

We know that government members try to prevent too many details from being dug into. We know that Opposition members try to deal only with items that would embarrass the government and so on. We know the reality of politics. We are all politicians and we know the reality. However, if the larger function of government is to be served, larger service to the people is to be served, then we feel that we have to look at it in a non-partisan nature and we have to attempt to deal with Public Accounts Committees in that way.

As we go through and examine the report, I would like you to think about that, because we, as committee members, know the reality, maybe we haven't got some of the reality built in, but that was deliberate.

What we had planned to do is go through this first session with a brief introduction that I am doing now and to run through the report, section by section. I know that is tiresome, boring and everything else, but we felt that it was necessary to sort of go through the whole thing to see generally what is there. A lot of people have read it, maybe some people have just skimmed it and maybe some people have not read it. We felt we should go through the whole thing so you get an idea of what is there.

As you go through you jot down, yourself, the problem areas that you have and the areas that you want to discuss and so on. Then tomorrow in the session, maybe that is all we will get done today, we will deal with the specific questions, problems that you might have. So whereas today we will be presenting, tomorrow it will be the feedback, tomorrow morning. Tomorrow afternoon we have a joint session with the auditors on this report. We have chosen three specific topics to discuss at that time from the report. One is the idea of transfer payments, because it is one that the auditors would probably be concerned about as well. One, the relationship between the committee and the Auditors General and the other, what kind of follow-up is expected from this process and from the report. So these topics will be dealt with tomorrow afternoon, but tomorrow morning we will deal with the problems you may have. Maybe we will get into that this afternoon if we are lucky.

Then at some point we have to decide what we are going to do with this report. We would like to, and I think it is important, have something of substance on paper at the end of this session. So that we can do it up in looseleaf binder form, perhaps, or something. This, you see, is simply a draft, it is not a final report by any stretch of the imagination. It is a draft. It was bound this way simply because it was the cheapest way to do it and we are trying to conserve money in Newfoundland. We envision the final thing, after this session, to be in a form where you can remove pages and where maybe next year if there are problems areas that need to be discussed for an hour or two and changes made that they can be made by the Canadian Association of Public Accounts Committtees. Then we can simply insert, take out and what have you.

We envision that report will be in that form some time soon, but we really hope that there will be some agreement with changes, obviously, there maybe changes that are necessary, that there be some agreement on the final report by Wednesday morning. Because Public Accounts Committees change so much and if you can't take on a project like this, do it in a year and get it over with, then chances are it never gets done because there is a tremendous turnover, an awful lot of new faces here from last time and from the time before and governments change and that necessarily changes Public Accounts Committees. We have two or three elections coming up in the next maybe six months or so. So because of the changing nature of this group we felt that we should really reach some conclusions before the end of the sessions.

Now, then, I wonder if Darlene or Ed has anything to add as an introduction before we get into going through the report. Ed.

MR. ED PHILIP (Ontario): The first thing I would like to add is my appreciation to Wendy MacDonald, who is our researcher, who spent a lot of time working on this also and to Doug Arnott our clerk who has been telephoning back and forth and doing a lot of work in preparation and helping to coordinate efforts. When something is being written in three different places, it requires an awful lot of coordination. There are a lot of people in the different provinces that worked hard at it not just as it has been said the three people at this table.

I think the important thing to reinforce is that this isn't a blueprint for everybody to adopt. What it is, is a series of suggestions of things that seem to work in some jurisdictions and that we are not here trying to tell every Public Accounts Committee that this is how in your jurisdiction you should be operating. There are different circumstances and I think you have to pick and choose and adapt it. Nor is it something that is necessarily being done generally across the country.

I think the thing that struck me when I was first joined the Public Accounts Committee, some seven or eight years ago, and I visited Ottawa and I saw what I thought was a pretty effective committee operating there that there are certain things that can be done, certain processes if you want, that do make Public Accounts Committees operate in a non-partisan, independent way and that can save the taxpayers millions of dollars. I think if some of these processes are adopted, then you can get away from some of the partisanship.

I can say, quite honestly, that in our own committee that some of the toughest, hardest questions are asked by members of the government. I think that gives some

credit to them but it also says something that there are some ways of encouraging that kind of thing.

Darlene.

MS. DARLENE MARZARI (British Columbia): Just a few additional words from British Columbia. We did not get involved with the final drafting of the report, but we did attend a meeting in October/November at which the initial drafting was put together.

Our contribution was to have been an update of the State of the Union from the old Kelly-Hanson Report which basically looked at a cross-country survey of different services available to the Public Accounts Committees and different structures of Public Accounts Committees. That is not available for you today but it is something that we would be pleased to mail out as an appendix to this report and perhaps as we go through this section by section we will be able to fill you in, either Craig James or myself, or if someone has an old Kelly-Hanson hanging around we will be able to fill you in on what the status is now in this country in terms of some of the recommendations we are making. As Ed and Winston have both said, some of these recommendations have been already made by the Kelly-Hanson Report, others reflect some of the stuff that is coming out of the auditors themselves in terms of the movement towards comprehensive auditing and that we have not caught up with yet and as Public Accounts Committees we have to be in line, I think, or at least in discussion with our Auditor General about to what extent we get involved with current expenditures, as many of the auditors are getting involved. So there is an added proviso or an added service, I think, that we could bring to this session.

MR. WINSTON BAKER (Newfoundland): That would serve as an introduction to this thing. I wonder at this point if there is anybody who would have any comments on the process, as they understand it and so on. I would be happy to allow some time for that.

MR. CHAIRMAN: To follow up on Mr. Baker's comments on the process part of the development of this draft does anybody have any questions? If you have them maybe you could ask now, or we could go on to more discussion on the report itself and then there may be more questions at that time. Does anybody have a question on the process?

No questions? If not we will proceed from there and maybe you can carry us along with the report and once we go into it there may well be some questions. I think it is here we want to have a frank discussion, we are trying to improve Public Accounts processes all across the country and as you indicated there is a vast difference between the different committees from coast to coast and the country Canada, the Northwest Territories, the Yukon and so on. We want to know how we can improve. I will turn it back to you, Mr. Baker.

MR. WINSTON BAKER (Newfoundland): Thank you, Mr. Chairman. The first section, the History and Development of PACs in Canada is not written, that was delivered, it is the kind of thing that there is really no need for any discussion on.

The four things that we are going to include there are indicated, the purpose for the creation of PACs, the historic relationships, the development of PAC and an

overview of the progress in terms of the various provinces. This is where I suppose, Darlene, we would include a lot of summaries that you are doing. That section is not yet written because we felt it could be easily added later, it is just a series of facts.

The second section however takes up 30-odd pages. It is a long and important one, 32 pages. The Role of the Public Accounts Committee. It deals, first of all, with the Accountability Cycle and is basically what I said a few moment ago, "The process of spending and accounting for public money begins and ends in the Legislature.". The final link in this process is provided by the Public Accounts Committee bringing the expenditure back to the Legislature. So the review of the estimates, the review of the Public Accounts and so on is simply a restating of that.

There is a comment in here concerning what has been happening in Ontario, in the first four or five pages, Ed Philip referred to it this morning and there have been changes since this was written but the problem is that in Ontario the Public Accounts Committee has tried to change the estimate process and is in the process of going through and changing the estimate process so that the Public Accounts Committee becomes more effective.

2. Significance of the Public Accounts Committee's Role in Relation to our System of Democracy. That is a restating. You will find a lot of repetition in here and it is deliberate. A restating of why there has to be a Public Accounts Committee more than anything else.

3. The Non-Partisan Nature of the Public Accounts Committee's Task. You will note it is not the non-partisan nature of the committee, it is the non-partisan nature of the task. (Interruptions)

Okay, with the provision, by this afternoon I would like to get through the topics so we can get into a detailed kind of thing tomorrow, but okay.

DR. KAL SEAMAN (New Brunswick): Perhaps we had better wait until we finish the whole section.

MR. WINSTON BAKER (Newfoundland): No that is all right. If you have a question now go to it.

DR. KAL SEAMAN (New Brunswick): I hope you will appreciate the fact that I am a novice in this game and that some of the questions that I may ask you you may feel, well, you should have known it in the first place.

I would like to back up just a moment to a review of the estimates and a review of your budget. When this happened in our Legislative Assembly there was not a great deal of time left for our committee to discuss the subject in any detail so we would have anything knowledgeable to say about it.

I am just not clear on when the estimates are presented to the House, mind you a lot of the questions were already being asked right on the floor of the House, but what role does the Audit Committee have here in trying to change anything, let's say in the estimates?

MR. WINSTON BAKER (Newfoundland): Well first of all the role of the Estimates Committee is largely a political one, that is the way it has evolved. When the Legislature is considering the budget, by whatever mechanism it has then the budget is voted on and passed, okay? That happens.

The Public Accounts Committee comes after that. The Public Accounts Committee operating separately after that. At the end of a year the Auditor General reports back, or the Auditor General gives a report a year later, after the money has been spent and so on the Auditor General reports back. That Auditor General's Report is then referred to the Public Accounts Committee.

Now at that point the Public Accounts Committee, that really is sitting all the time, is examining the auditor's report as well as other things in the Public Accounts, but it is not getting into policy, the policy is decided by government and the Legislature, it does not really get into policy, what it is trying to do is to see that if the money is spent that that money is spent according to the authority given by the Legislature, if it is spent with due regard to economy and efficiency.

That is really the job of the Public Accounts Committee, it is totally separate from the Estimates Committees and the other process by which you pass a budget in the House. I do not know if that answers your question or not.

DR. KAL SEAMAN (New Brunswick): I think perhaps it does answer my question and I am very grateful for that part of it. As I understand it then perhaps what our committee does is to act after the fact, after the money has already been spent rather than to have any bearing on controlling the spending of the money in the first place.

MR. WINSTON BAKER (Newfoundland): That is right. It is the Cabinet that sets the budget and it is the Legislature that approves the budget, the Public Accounts Committee has really no role to play in that.

However, there is a lot of carry-over. If a problem is determined in a department on a past expenditure the Public Accounts Committee probably gets into the current practice from the past practice and there are all kinds of ways for Public Accounts Committees to get involved with procedure that is currently going on.

In some cases I suppose plans for the future, if they have already been decided on and are part of the policy and the government is in the process of implementing it that that budgetary process has already been taken care of, or that policy process is already taken care of, then there is an expanded role for PACs there, yes.

MR. CHAIRMAN: Mr. Baker, Mr. Moore has a question.

MR. RON MOORE (Alberta): Just on clarification. Have we now gone back to asking questions on section by section, or are we just going to get the overview and then come back to questions? We started out with the overview going and now we are asking questions, what is the procedure for this afternoon?

MR. CHAIRMAN: Mr. Baker, maybe what we should do is at least complete the section and then have questions, rather than in the middle of the section. It seems to me you should finish this section and then if there are some questions either do it then or at the end.

MR. WINSTON BAKER (Newfoundland): The only thing is, I think the member for New Brunswick had a point of clarification on that, that was to clarify a process and I do not see anything wrong with that. If you want to come in fine. I had intended to get to the end of the section and then come back.

MR. CHAIRMAN: I think that is what we will do. Finish this section and then Mr. Moore will have the first go.

MR. WINSTON BAKER (Newfoundland): Section IV on Page 9, the Expanding Role of the Public Accounts Committee. This is really where the meat of the whole thing is in this section. It points out that the traditional role has been to scrutinize expenditures of government on goods and services required for the operation of departments, but the governments have expanded far beyond that and in a sense Public Accounts Committees have given up control, or not necessarily control, but scrutiny of a lot of government expenditures, that there are lot of transfer payments of one kind or another that government uses now that the Public Accounts Committees seem to have given up on and that we have to expand our role back into all government expenditures, as we feel our mandate should be.

It deals with Crown agencies, the types of transfer payments that we are considering and some options to address the accountability in terms of the transfer payments.

Tax expenditures that generally Public Accounts Committees overlook, a tax break is really an expenditure and should be considered as such, in our opinion. Then we have a section on Page 17, Section V of compliance and value-for-money. One statement there I should point out, I suppose you have all noticed in going through the mandate of PACs is to conduct comprehensive scrutiny of the government's administration of taxpayers' funds in implementing its policies should be formally established. Rather than at some point we should formally establish in each jurisdiction exactly what our mandate is, we are suggesting that the comprehensive scrutiny is what our mandate should be.

There is a little bit of history in here on Pages 18 and 19 which traces the development of this value-for-money kind of auditing and then deals with the Public Accounts Committee.

On Page 20 the idea of responsibility. The way that the governments spend now the minister, although he is, I suppose, the place where the buck stops in the department, the minister really cannot keep tabs on everything that goes on in his department, especially details in terms of spending money. There is a certain responsibility that has to be laid at the feet of the deputy minister, the assistant deputy minister, or whatever. I am just pointing this out. The administerial responsibility has changed down through the years and we have to recognize that.

Also the next section deals with legislative accountability on Page 23. We have already made the statement that the whole process should come back to the Legislature after the money is spent, but this legislative accountability is not generally recognized and maybe should be.

Section VII, the Relationship Between PACs and Auditors, and Section VIII, the Relationship Between PACs and Government. In the historical development the position of Auditor General came after Public Accounts Committees. When the Auditor General

was a servant of the Public Accounts Committee the Auditor General was a mechanism whereby the Public Accounts Committee fulfilled its function, he provided the auditing and so on, so the Public Accounts Committee could fulfil its function and that is the way it developed. We came first, the auditors came second and they were servants of us and it is not the other way around as sometimes it seems to be.

The Relationship Between Public Accounts Committees and Government. If Public Accounts Committees are to operate as we are suggesting, if they could, I would suggest to you that government would be happy that the Public Accounts Committees are operating. There are ministers in government, for instance, who would be only too happy to have the Public Accounts Committee examine some of the officials to see how the money is being spent down through the department, because it helps the minister keep a better tab on what is happening in his department that he cannot possibly keep anyway because he has so many other responsibilities.

If the auditor finds something wrong in the department, the Public Accounts Committee digs in and gets to the cause of it and traces it right back. It is an invaluable help to that particular minister if the whole thing is done properly and if it is not seen as a witch hunt or is not seen as a cover-up. That is the problem that we always have in Public Accounts Committees, that we operate as if it is either a witch hunt or a cover-up and it should not be either. I think if things are done properly, government can benefit tremendously from the work of the Public Accounts Committee and in some areas, the government recognizes that now. I have had ministers say to me that the work of the Public Accounts Committee has been a tremendous help in a particular department. So, that can happen and maybe should happen.

The Relationship Between the Public Accounts Committee and the Media is the final section in that part of the report entitled, Role of the Public Accounts Committee. So, maybe it is better if we stop there and have the comments and have the discussion and get it over with rather than the way we planned in the first place if there seems to be a demand for that.

MR. CHAIRMAN: Thank you. I think we should and then we can deal with it section by section. If Mr. Moore has a question on the material in this section, I think we should deal with it.

MR. RON MOORE (Alberta): Are we beginning with the first section or can we jump from section to section?

MR. CHAIRMAN: Mr. Moore, I think you can deal with anything we have dealt with so far. It is based on the first section. It was really the history and so on and now we are into the role. The Role of the Public Accounts Committee or whatever is in there.

MR. RON MOORE (Alberta): I have some concerns throughout the whole report, Mr. Chairman, but it is a very well written report and I give the committee full credit.

However, there is an underlying thing here. A model public accounts as such and one that is in touch with reality are altogether different and I find it hard, when I follow this, to say we are in touch with reality on so many points of it. Just to clarify that, we assume in here that if can be attained, that you would have non-partisan Public Accounts. You assume that. That is the basis of assumption, I would take it, Mr.

Baker, that you have made that assumption? I would say, ladies and gentlemen, that will never be reality in the political world we live in, so we will never have non-partisan public accounts.

Another assumption is that a group of people such as the Civil Service or the bureaucracy will be more productive and more innovative if they realize that public accounts is examining them on their accountability. They already have an accountability through to their deputy minister and their minister. I would take any group of people, Mr. Chairman, and put them under two bosses and you will get the least production. It would be very counter-productive. If we think the bureaucracy is covering their backside now, if you think we are going to make them more productive by knowing that they are accountable or being questioned by Public Accounts, you will find a very slow, very non-productive Civil Service, very contrary to the assumption that is in this report.

Another thing is to assume that you will get cooperation from the Premier, the ministers, the Auditor General and senior Civil Service who are all very protective of their areas is an assumption that is beyond reality and I do not think we will be able to legislate that. So, there are a lot of things, as I say, we would like to view this report in the eyes of reality instead of a model. The model is excellent and they have done an excellent job of it, but it is not, as I say, in touch with reality.

MR. CHAIRMAN: We could turn it over to any of the panel members for response and then we will have futher questions. Would one of the members of panel want to respond first and then we will go on?

MR. ED PHILIP (Ontario): I think the fact is that there are jurisdictions and not just in Canada, where Public Accounts Committees do operate in a non-partisan way. I am convinced in looking at Ottawa that for years they have operated very effectively in a non-partisan way. There are other jurisdictions in Commonwealth countries where that happens also. I think if we look at our own experience, our own Ombudsman's committee and indeed our regulation's committee operates in a pretty non-partisan way in our own Legislature and I think our Public Accounts Committee is operating in a non-partisan way.

I think that one of the things that you can do is to develop some procedures that facilitate that. One of the things that you can do is look at ways in which policy areas can be dealt with in a very strong partisan way in other forums and therefore do not come under consideration in the Public Accounts Committee. I guess the alternative is to simply throw up your hands and say nothing can be done and we cannot improve. It seems to me that government and society is becoming more and more complex and if you do that then the bureaucrats really run everything.

I would also, I think, point out that it seems to me that as society is becoming more and more complex there are more and more issues that cut across Party lines and that people of three Parties, be they on the left and in the middle of the centre really do not have a Party position on. I mean it does not matter which Party you are, you want to run things more efficiently. You may want to run things more efficiently because you want to reduce taxes so you may want to run things more efficiently so that you have more money to spend on other things, but you at least want to run them more efficiently. So, I think that you can develop systems and in fact they have

been dealt with elsewhere and that is what we are suggesting is that some of the things that seem to work elsewhere maybe should be tried.

MS. DARLENE MARZARI (British Columbia): I just want to corroborate what Ed has just said from Ontario. I guess I am at the other end of the continuum. In B.C., we have a highly partisan, highly polarized two Party system. It has struck me, if I can refer to both your points at the same time, that the role of the Opposition for the last 12 years especially has been to embarrass government and to tear strips off, which is definitely a role, a partisan role and it is one which has to be played. That is the role of Opposition.

In the public accounts setting, however, that has taken a particular form in which the embarrassment of the government has become the name of the circus and the name of the show so that consequently embarrassment of government members around their travel vouchers has become more important than a serious look at management systems, structures of government, ministries themselves. So, I would suggest that because the nature of our committee, to this point, has been so highly partisan. What we have got is a situation where civil servants do not have to worry at all because they are not being investigated. In fact, it has been the ministers and the political side that has been looked at and the infrastructure of government, efficient management systems has not been touched.

So, I am saying that because of one we have got the other and you have made both points and I think that they do interlock. On the continuum of partisanship, I would think that the more we move towards a committee that is working reasonably well together, the more we will have an accountable Civil Service. I guess that is my major point.

MR. CHAIRMAN: I want to call on, unless you have something, Mr. Baker. If you want to say something, fine.

MR. WINSTON BAKER (Newfoundland): I just want to say that if we accept the premise that the whole spending cycle has to come back to the Legislature, not to the Cabinet Minister, but back to the Legislature, then we have to accept that role for the Public Accounts Committee. So, whether the Public Accounts Committee should be doing it or not, if we accept that premise, is immaterial. If that is the role of the Public Accounts Committee then it does it.

I would like to say that I have found the opposite in terms of the reaction of Civil Service you mentioned. I found that it has improved, especially at the assistant deputy minister level and so on, the efficiency of the Civil Service in Newfoundland, the work the Public Accounts Committee does. I have found that they do not like to come before the Public Accounts Committee, but they are very willing, once they come before the Public Accounts Committee, to change practices that they have been carrying on over the years that we feel are not quite right and result in waste or are not according to legislation or whatever. They are very willing to change once they get there. They do not really like coming before the Public Accounts Committee and they try to do as much as they can to prevent coming before the Public Accounts Committee. In other words they try to clean up their act before it gets there.

I found the reaction is really good, but I mean I know where you are coming from and it changes from jurisdiction to jurisdiction. In Newfoundland, we are very

emotional in terms of politics. Everybody is a politician in Newfoundland and everything is very highly charged. As individuals, we are very political. The government has four members, we have three. As long as the government has the majority on the committee, then that prevents the three from running away with it. So there are other checks and balances built in to ensure, number one, that proper things get looked at, but to ensure, number two, that an Opposition does not necessarily run away with it.

MR. CHAIRMAN: Mr. Baker's and my mike is working now. Are you through for the moment, Mr. Baker?

MR. WINSTON BAKER (Newfoundland): Yes.

MR. CHAIRMAN: I would like to call on Mr. Harry Van Mulligan. He has his hand up and then we go to Mr. Henry Zoe after and several other people. So, Mr. Van Mulligan.

MR. HARRY VAN MULLIGAN (Saskatchewan): Thank you, Mr. Chairman. I want to first say that I want to thank the committee very much for the work that they have done over the last year. I found the report to be interesting and for someone like myself, who only has a limited amount of experience both in the Legislative Assembly and in public accounts, I found the book to be an excellent introduction, a primer if you will, to the kinds of works that a Public Accounts Committee should and can be doing.

If I have any criticism, I suppose it relates to the area under discussion. That is the question of partisanship. As I read through it and I came to the single page on the non-partisan nature of Public Accounts Committee's task, I ask myself that in light of the experience in Saskatchewan the fact that one might reasonably interpret that committee as being partisan in nature, at least it has been in recent years. In light of that and a brief treatment that the document aspires to certain goals. It is no criticism of the people that worked on this because their mandate probably went no further than to espouse a number of roles.

I wonder if the committee members might comment further, whether this is the kind of area that we should do more follow-up on, but frankly from our experience, and I expect listening to others, that this is a problem that is not unique to Saskatchewan, that the major conundrum that we face is one of how do you strike a body that has non-partisan purposes, objectives and deals in a non-partisan way in what is essentially a very non-partisan assembly or group of people?

I guess my question is, and I look at the one page on the non-partisan nature of a Public Accounts Committee and the goals that we should or can aspire to, I have many questions about how we might achieve that. Where can we document successful experiences and how they have been able to achieve that? Where can we document instances of where partisan committees have been transformed into more non-partisan experiences? What are the procedures, to use Mr. Philip's words, that can facilitate a more non-partisan committee? What is the effect or the role of the media in the non-partisan nature of a committee or the partisan nature of the committee? I have all those kinds of questions.

Alternatively, I go back to Mr. Moore's comments, that maybe we are wishing for something that will never happen and we are espousing some high ideals that will

never be realized. Might we have been better off to recognize reality and state that for the great part Public Accounts Committees will be partisan in nature and recognizing that, how can we make Public Accounts Committees function more effectively given that particular constraint?

I just throw those out for comments and invite your reaction. Thank you.

MR. CHAIRMAN: I would invite any of the members of the panel to respond and then we will move on to the next questioner.

MR. WINSTON BAKER (Newfoundland): Yes, just for a minute, in terms of the non-partisan nature of the committee. You have a committee, like in our case, seven members, four government and three Opposition, I am very partisan, my friend from the government bench sitting here today is very partisan and we are all very partisan on the committee. We have operated since 1978 in a very, very sensible manner. In 1978 there was a big blow-up and the committee split and everything became highly charged and everything else. I found that the checks and balances built-in allow partisan individuals to be part of a non-partisan committee.

The government majority on the committee, for instance, will guarantee that we won't get into anything silly. On our part, the government members on the committee would not squash us investigating an area where there is a legitimate concern because they would be crucified in the press. You see. It prevents the Opposition members from going too far but at the same time it prevents the government members from closing everything down. There is a certain balance in our committee like that whereby we can all sit down and very sensibly look at something that is a waste of money, an area where money has been wasted and say so and point out ways to correct it, without actually getting to the point where it becomes a very highly charged, partisan kind of thing, where individual members go off and make inflammatory statements to the press and all that kind of thing.

I believe it is possible to have very partisan individuals, depending on the committee's set-up and yet, the committee itself operate in a non-partisan way. I think it is possible.

MR. CHAIRMAN: Unless another of the panel members want to speak we will move on to another questioner.

MS. DARLENE MARZARI (British Columbia): I think this is the point which we are all going to get involved with because it has been raised three times thus far. I think that is the whole nature of it and I think that is what we deal with as politicians. I would like to repeat a former point. We are all on a continuum. I think it is a continuum between what we think we are doing and what we think we would like to do. If what we think we like to do has anything to do with the goals and objectives that Kelly-Hanson talked about and the goals and objectives that we raised at the beginning of this report, if that is what we think we would like to do, then the structures and the infrastructures of our committees should enable us to do that.

Let me put it to you this way. Make a list of your criteria. If you have ministers on your committee, what are your chances of getting work done around those areas of responsibility that those ministers have? I suggest to you it is at the zero end of the continuum. If you only meet when your session is meeting, as we do in British Columbia,

11 weeks, what are your chances of having active investigatory hearings where witnesses can be lined up as much as two months in advance to bring them in to ask questions? My answer is zero on the continuum.

If you are not allowed to have access to the individual vouchers that compile the boxes that are kept in basements everywhere, what are your chances of getting things done? Minimal. If you have a situation where you are denied access to a non-partisan researcher, perhaps, provided through the library or through the Clerk's department, what are your chances that an outsider reporting to the committee, who is related to a Party, is going to be believed? Zero.

That is all on one end of the continuum. As you move along the continuum towards getting a researcher, meeting outside House sittings, having the respect of your Auditor General, being able to have a working relationship with your Comptroller General, being able to have a budget for travel or with the committee to increase your depth of knowledge, I suggest that your ability to work together as a committee, despite Party differences, improves on the continuum and enables us to get on with the job as we think we have described it and Kelly-Hanson some years ago, and now repeat it to a certain extent in this draft report.

So I am trying to answer your question saying, it is obvious, we will never be non-partisan but there are structures that we can build in if we try, if we want to that makes it a little easier to say at the end of the game that we have got Public Accounts and public accountability.

MR. CHAIRMAN: Mr. Moore you are down on the list and we will come to you. The next person is Mr. Zoe.

MR. HENRY ZOE (Northwest Territories): Thank you, Mr. Chairman. We in the Territories have no Party politics so I guess I can answer the member for Alberta's question in relation to non-partisan. We operate totally non-partisan, but as one knows, we all have our different leanings. I have a particular leaning on more central than various members in the House so I am connected individually to my own belief. In that way, I think, you can say that in reality each member of the Public Accounts has some sort of leaning.

We try to do away with that because one specific goal is to make sure that the government is being run efficiently and effectively, that their money is spent properly. In our case, we have been working very closely with the Auditor General. We have a close relationship with him and with our staff, they are all non-partisan.

The question of the non-partisan nature I think has to be implemented in order for the committee to be very successful, without that I don't think the committee would be very effective. We have been bringing forward, as witnesses, the senior management of the government. We very seldom request ministers to appear before our committee. So we have been quite effective. I am quite interested to hear New Brunswick as to how they are going to be operating their committee. Thank you, just a comment, Mr. Chairman.

MR. CHAIRMAN: I thank you, Mr. Zoe. Any comments from the panel or can we move on to another person.

M. Lemeiux, s'il vous plaît.

M. JEAN-GUY LEMIEUX (Quebec): Alors, effectivement comme parlementaire je pense qu'y faut être conscient. Nous faisons tous une différence entre la politique et la science politique commme tel. Ca m'apparaîte évident parce que en soin nous sommes tous des politiciens. Mais nous devons quand même avoir des objectifs. Il me semble que nous au Québec qui sommes de tempérament en latin, nous sommes parfois émotifs et très agressifs en politique.

Aujourd'hui, je veux vous faire part d'une expérience qu'est toute a fait particulière. J'ai avec moi mon vice-président, Monsieur le député de Lévis. On ne peut pas dire que le député de Lévis n'est pas un homme partisan, tout comme moi on ne peut pas dire que je ne suis pas un homme partisan. Pourtant, suite à la rencontre des comités des comptes publics en Saskatchewan et à Québec, il y a du travail qui c'est fait à Québec où on pourrait dire que on en est arrivé à cet objectif là sur certain dossier d'avoir une vision, je dirai non-partisan et à ce titre là, quand on pense qu'au Québec, $15 milliard sont transiger par des sociétés d'état sans qu'y vient au contrôle parlementaire. C'est une chose qui est inadmissible. Cà veut dont dire que comme objectif primaire, il va de l'intérêt publique, et lorsque l'intérêt publique est là, je pense qu'on peut arrivé à avoir une vision des choses qu'est moins partisan.

On a eu d'autre dossier aussi sur laquelle on a siègé notre commission parlementaire. Je pense à la régie de l'assurance maladie du Québec, il y a la commission immobilier, où on s'était effectivement trés, trés bien préparé avec une expertise particulière qui avant çà que l'aspect partisan était moins present. Je ne vous dis pas qu'il n'y en a pas, mais qu'est-ce qu'il est l'avantage intéressant c'est que en grande partie il était éliminer. Vous savez, je pense qu'il était important comme tel de nous organiser comme politiciens parce que en soin nous sommes tous des temporaires, et n'oublier pas que nous luttons nous contre une tradition administrative.

Je me dis qu'il est important pour nous d'établir une tradition si nous voulons effectivement jouer nôtre rôle. Il est important pour nous de pas trop s'éloigner de l'administration publique car moi je peut vous dire une chose, ce n'est pas l'administration publique qui va s'approchée de nous. Là où on a le plus problème c'est effectivement a les rapprocher de nous les politiciens parce qu'ils n'en veulent pas le contrôle parlementaire l'administration publique dans l'ensemble.

Alors c'est dans çà que je trouve le rapport Baker peut-être intéressant parce que sans nous donner des solutions, du moins ils nous donne des pistes et çà sa m'apparaît important. Là dessus je pense que le rapport Baker, et le regard à les soumissions, est peut-être ajustable, et nous ont peu s'ajuster, mais au disregard de la situation. En sens ca je me dit qu'il il a peut-être quelque chose de pire de par avoir réussit c'est de pas avoir essayer. Et en sens là, j'apprécis les pistes qu'ils nous sommes donner par le rapport Baker, parce que je me dit que en haut de toute ça, qu'est important. C'est qu'on doit garder, pourtant les temps des politiciens, et même si ont doit se faire élire et que l'opposition veut marquer des points, c'est a l'intérêt publique au tout, tout ça, et pour ca qu'on est élu. Merci.

MR. CHAIRMAN: Merci, M. Lemieux. Now, I would like to return to Mr. Runciman of Ontario.

MR. BOB RUNCIMAN (Ontario): Thank you, Mr. Chairman. I just wanted to concur somewhat with Mr. Moore from Alberta in respect to the proposition the committee has put before us as something of a bit of pie in the sky in respect to their suggestions that it is essential that the committee's work be conducted in a non-partisan nature.

The chairman may take issue with what I am saying, I think we have had experience now of working in a minority government situation versus a majority government situation. Although our experience in a majority is limited now to about seven or eight months, but I think the chairman will agree, as he played a very active role in the minority days, that it certainly seemed to be more productive, certainly more exciting and obviously partisan. A minority situation I think is very partisan as well as in a majority situation. I think that is not going to change.

To suggest that the only way a Public Accounts Committee can be effective is if it operates in a non-partisan way is flying in the face of reality. I tend to like to suggest, in the way the gentleman across the way made, that perhaps we should be taking a look at the whole basis of this report in respect to accepting reality and saying, look it, we know that these committees are, in a great number of instances, going to act in a partisan way, let's deal with making the committee much more effective and accepting that as a fact. That, in my view, is the way we should be approaching the whole question.

I have to agree with some of the comments that the Civil Service, indeed have, I think, been a little bit nervous about appearing before our committee but, again, I suspect they were a little bit more nervous during a minority government situation because they knew that there was a stronger possibility of a resolution or a report coming out of the committee that could be condemnatory, critical or what have you. Much less of a likelihood of that occurring with a majority government situation.

I don't know what to suggest, Mr. Chairman, I know there are a couple of areas of personal interest in mind. I know on the minority situation, one of the things our committee looked at was proposed expenditures for the dome stadium in Toronto. I think we played a very effective role there. I think another area that we can be looking at as a committee is the supplementary estimates. In Ontario last year we had the government spend, I think, it was close to $2 billion above their budget in supplementary estimates, which was not subjected to any review process. If you take a look at the estimates itself, we haven't looked at estimates in Ontario for well over a year. In supplementary estimates, I think that we can play a role as Public Accounts Committees whereby once they are approved by Management Board and Cabinet within 15 days they come to Public Accounts. We are not going to have an approval role but we have a review role and can subject those decisions to at least some scrutiny by the Legislature. I think that that would be an appropriate function for Public Accounts Committees as well.

I simply don't think that we are performing the role in Ontario as effectively as we could be, certainly, in terms of keeping an eye on the wise management of taxpayers' dollars. Perhaps we can start the process off on the right foot if we at the outset accept the fact that when we are dealing with many important questions they are going to be dealt with in a partisan way. Thank you.

MR. CHAIRMAN: I would ask the panel if they would like a response. Mr. Philip.

MR. ED PHILIP (Ontario): I think that we can accept that all of us belong to different political Parties and that there are two or maybe three political Parties on the Public Accounts Committee. I think that there are certain things that we can look at that certainly experience has shown creates partisanship. If we identify those and try to lessen them then I think we operate more effectively as a committee.

One is the calling of a minister. If you want to polarize a committee you call a Cabinet Minister because the government members are going have to try and defend him or lessen the inquiries. So you can simply have as a policy, never ever call a Cabinet Minister or the Premier before the committee if at all possible.

The second thing you can do, I think, and our experience, Mr. Runciman mentioned the minority government, I think that that was a unique experience, that our committee was handed a task that I didn't particularly enjoy, namely examining the possible conflict of interest of a Cabinet Minister. I think that we will never have to deal with that again. We have set up legislation that deals with conflict of interest and hopefully, our committee or any other Public Accounts Committee should not be investigating the conduct of individual members. That is the surest way of creating a partisanship.

I think that there are other things that you can do that do lessen partisanship. One is that you don't develop the usual processes that are practised in partisan committees, such as having an automatic rotation system of the Official Opposition starting with the questioning, followed by the third Party, followed by the government. That is one way of simply ingraining the old habits that happen, quite rightfully, in other committees.

I think you can also start off by having adequate research. If the research is there and if all members of the committee are briefed fully and they understand the significance of what the civil servant has done in not following the minister's instructions or objectives then it becomes self-evident to a member of any Party, including the government Party, that they have to deal with that. I think adequate research lessens the partisanship.

I think the other thing that helps to make the government members feel more comfortable is that you should highlight some of the good things that the public servants have done after they have admitted that, perhaps, some things should be changed. I think members of the Opposition should be the ones also that are complimenting the deputy ministers when they have agreed that there are certain changes that they are going to make and compliment them when they are called back and they have made those changes. I think if you do a series of those things, you can lessen the non-partisanship of the committee. If you don't then it might as well be an estimates committee or any other committee and pack up your bag and go home.

MR. CHAIRMAN: Mr. Baker.

MR. WINSTON BAKER (Newfoundland): Yes, just a brief comment to Mr. Runciman. He gives the impression that we are saying that the Public Accounts Committee, it is absolutely essential they be non-partisan and that if they are not totally non-partisan then it serves no function. What we are really saying is that the Public Accounts Committee should operate in a non-partisan fashion if it is to conduct the proper search and examination. However, using Darlene's continuum, that is a 10 and the greater degree of partisanship the less effective the work of the committee becomes is

really what we are saying, not that either it has got to be totally non-partisan or it is useless. That is not really what we are saying. We recognize that individuals are partisan but that processes can be put in place to make the committee operate in a non-partisan manner. That is really what we are saying.

MR. CHAIRMAN: Ladies and gentlemen, I would like to call on Mr. McKenzie. We will hear from Mr. McKenzie and a possible response and then I think we will break until 3:30 p.m.

So, Mr. McKenzie you are on.

MR. DAN MCKENZIE (Canada): I would like to ask the panel a question. You were talking about increasing productivity in federal government departments or provincial government departments. Was any discussion at all done on developing measurement plans for measuring productivity? As an example, from our findings over the past year in Ottawa, most federal government departments are somewhere in between 50 per cent to 60 per cent productivity and we pursued this with all department heads that appeared before us and we asked them to report in March 1989 to tell them how they have developed any measurement plans and if they have made any plans at all for measuring increased productivity.

We had a lot of trouble with all of the civil servants that appeared before us, they were not enthusiastic about this at all. They had every conceivable excuse under the sun why they couldn't do this. That was not acceptable to the committee, because the private sectors had measurement plans for years. I think Bell Canada is probably the leader. They will use the excuse, you can't measure clerical work. Well, Bell Canada has been measuring clerical work for years. The Auditor General seems to be about the only one that has a real measurement plan and he works in around somewhere 80 per cent productivity.

So I would just like to ask the panel if they spent any time discussing this or do they think this should be pursued further at this meeting?

MR. CHAIRMAN: Panel.

MR. WINSTON BAKER (Newfoundland): We haven't spend any time discussing it, Mr. McKenzie. Obviously, the Public Accounts Committee in terms of effective spending and all that kind of thing, it is an area that has a relationship to what we are talking about. We haven't spent any time in terms of actually doing studies as to how do you measure efficiency and do you recommend efficiency studies be done on government departments and all that kind of thing. An individual Public Accounts Committee, if they feel they want to make a recommendation of that sort, could.

It is the kind of detail that we didn't really want to put in this particular report. The actual day to day operations of the committee and the kinds of recommendations they can make are really up to the committee. The committee is its own master. If they decide they want to get into efficiency studies then fine, somebody somewhere then will come up with a measure of what is efficient and what is not in terms of a clerk, you know, but I don't know if such a thing exists myself and we haven't talked about it.

MR. CHAIRMAN: Ladies and gentlemen, I have four speakers and I propose to limit the speakers to these four after we have our break unless there is somebody that desperately wants to get in on this particular section. Oh yes, the list is Mr. Hovdebo, Mr. Moore, Mr. Fogarty and Mr. Ballinger. Those are the four and if there is anybody who is desperate, see me at the break and then you can be on, otherwise we are moving on after those to the next section. Then at the end, if there is something, we will come back. Thank you. We will see you at 3:30 p.m.

[3:14 p.m.]

[3:32 p.m.]

MR. CHAIRMAN: Ladies and gentlemen, we will get underway and we will aim to finish by 4:15 p.m., we might possibly go to 4:20 p.m., but we want to finish up a little bit early this afternoon.

We have four people with comments or questions and we will start off with Mr. Hovdebo, who has the floor.

MR. STAN HOVDEBO (Canada): Thank you, Mr. Chairman. I am going to take very little time here, because I think we can go over this forever and still have a lot of different positions on it as far as non-partisanship is concerned.

I have been almost nine years on the Public Accounts Committee in the House of Commons and I have to say that the effectiveness and acceptance of non-partisan positions is an individual approach to a great extent, an understanding of the goals by the individuals who make up the committee. We have noticed on several occasions during the years that if you send in a substitute who does not think the way the Public Accounts Committee thinks and is very partisan, he can disrupt a whole meeting so you get nothing done for that particular meeting.

I think it is very important that the Public Accounts Committee work toward being non-partisan, and there is no doubt that we are on a continuum and you may slip back on some occasions, but that is the direction that we should go.

Mr. Runciman in talking about a minority government, it was either a good argument for a minority government or a good argument for the non-partisan committees, because that probably was a much more non-partisan structure than you would have had under a majority government.

So it becomes a recognition of the value of doing it in a non-partisan way with a global understanding that what you are talking about is our government and it is our money that is being spent. Even if you do not agree with the program, that does not stop you from making sure that the money is spent well in that particular program.

The other side of that coin is that if it is a program that you feel strongly about, it is very important that the money be spent well if that program is going to survive, because there is nothing that can do a program more harm than a feeling that it is money being wasted by any part of the group.

I would suggest that what we do is that we get this report as close to the realistic situation as possible, which is what the report is attempting to do, and then

take the non-partisan things that work and put them into place in as many committees across the country as we have and maybe what we will have then is a structure which will be as close to the model as possible. We will not do it all at once, but in the nine years that I have been on that committee I can see a great deal of difference in what we do now and the way we used to approach it, even those nine years ago.

Dan here has been around longer than I have, maybe not continually on the committee, but Dan was part of a report many years ago that suggested that there was a need to have a closer relationship between the estimate process and the Public Accounts process. That, I think, is something that we also should be looking at in this meeting or in these meetings over the years. Thank you.

MR. CHAIRMAN: Thank you, Mr. Hovdebo. I would like to move on, unless there is some response from the committee at this moment.

Mr. Moore, you are the next in line, and then it is Mr. Fogarty.

MR. RON MOORE (Alberta): Thank you, Mr. Chairman. On Page 9, Section II, there is a statement of what Public Accounts should address itself to. Three points on Page 9, and it, to my thinking is exactly what the Auditor General is.

Now I would like to hear from the committee why they felt this should be the role, the exact same role that the Auditor General carries out should be their role? If we are thinking of going into non-partisan, I think the one area that is non-partisan in our whole system is the Auditor General. I have the greatest faith in it and I think we should all have the greatest faith in that department or that office.

I was just wondering what your thinking was to outline the role of the Public Accounts Committee, exactly what the role of the Auditor General is?

MR. CHAIRMAN: Just the one question, is that it for now?

MR. RON MOORE (Alberta): That is one question. The other one is, when you were addressing the breakdown, or perceived breakdown, or weakness of the estimate process, why did you consider that the Public Accounts should take up the slack and not correct the estimate process, which gives all MLAs a chance to get involved?

MR. CHAIRMAN: It is to the panel, there are two questions.

MR. ED PHILIP (Ontario): Well, in the first place I think our first responsibility as the Public Accounts Committee is to do a follow-up inquiry to what the auditor has reported and to investigate his recommendations or to make recommendations on his findings. That is the way in which you can correct the problems. He has the staff to do the independent non-partisan evaluation and I think if the committee agrees with that, then that should be their prime responsibility.

I do not think that the committee was saying that we should be involved in the estimates process. I think what the committee was saying is that the estimates process does not seem to work too well and that there are papers coming out of Ottawa and out of Queens Park, two separate committees plus the provincial auditor of Ontario, who are essentially saying that the present estimates process is a waste of time and that we should be looking at something that will work better.

I do not think that it is was ever envisioned that the Public Accounts Committee should get involved directly in an estimates process because then we would start again making the Public Accounts Committee into a partisan committee.

MR. WINSTON BAKER (Newfoundland): Also, if I could add to that, it is largely a matter of principle. I know what the Auditor General does and in each province he has a mandate and each province is different, so the mandate in Newfoundland would be different from the mandate in Ontario or in Canada.

However, the principle is simply this, that if you accept the fact that the Legislature approves the spending of the government then if you accept that principle then the scrutiny of the spending should come back to the Legislature through legislators, who are the Public Accounts Committee.

Ultimately it is my view that that is where the responsibility always lies. Now I know that governments have majorities and Legislatures, in actual fact, do not have a lot of power in a lot of cases, because it is the government that has the power, but I think we have to distinguish between the two and we have to say that the Legislature should have some mechanism to investigate spending that it has given the government permission to do, and it is the Public Accounts Committee that provides that legislative scrutiny.

If you say there should be no legislative scrutiny then you would be right, that is fine, we have a civil servant or an Auditor General or something to have a look at a few things and report directly to whomever on problem areas. It is our contention that it is the Legislature that should have that responsibility and it is only through elected members that you can get that.

MS. DARLENE MARZARI (British Columbia): One short comment. I think this question is going to be best answered when we get into the last half of the report where we make some more direct recommendations, none of which say that Public Accounts has to take over the estimates process.

However, when we get into the last chunk we are going to be reminded of the fact that many of our auditors are much more, shall we say advanced in public administration than our Legislative Assemblies' rules allow them to be, and as our auditors come to us saying, let's drag auditing into the 20th Century and let's start looking at project audits instead of last year's fiscal audits, and as they come to us and say, we want to do some comprehensive auditing whereby we look at the goals of a program and then follow them through to their final objectives, we are going to have to take a serious look at our estimates process and our accounts process so that they are in keeping, and in line, with what seems to be 20th Century auditing practices, that we, in our guts agree with, but that the rules of our own Legislatures and our own Acts do not permit us to do now.

So I think as we go through this second half we are going to have to face some of the changes that the auditors will probably be talking to us about tomorrow.

MR. CHAIRMAN: Ladies and gentlemen we have four more speakers only in this section and then we are moving on. They are Mr. Fogarty, Mr. Ballinger, Mrs. Firth and Monsieur Garon. With that we go to Mr. Fogarty.

MR. ALBERT FOGARTY (Prince Edward Island): Thank you, Mr. Chairman. When I was first elected in 1979, a couple of months later I was named Chairman of the Public Accounts Committee, a government member. I was there for three years and then I was inside of Cabinet for five years and now I am back as Chairman of our Public Accounts Committee.

I remember back in the early days our Minister of Finance and some other Cabinet ministers would get awfully nervous when my Public Accounts Committee became a slight bit active. It really has not changed at all in the 10 year period with changes of government in P.E.I., so I think we can talk here about partisanship and expanding the powers and roles and functions.

I think perhaps this committee may or may not have addressed another area. That really has to do with the integrity of the committee and the system as we know it. By that I mean, unless and until an education process is formalized and conducted at the start of each administration, particularly for political leaders as well as members of the PAC committees. In our case in P.E.I., I do not see us making an awful lot of headway.

I guess the question, Mr. Chairman, I did read the second part of your report very carefully and you were trying to map out some new powers and new areas that you want to get into and I think that is probably okay, but what has this committee done in terms of just basically coming to grips as politicians, either in government or in Opposition, to the bottom line of a PAC committee, which is, it has a good and proper constitutional role and function and to sell that to our leaders and to particularly people on our committees.

Now, in our case I have to honestly say in our current committee we have four government members, three of them have been able to act, in my judgment, in a non-partisan manner. We have two Opposition members including myself and in all honesty, and I will have to defend this when I get back home I am sure, the other member from my group on our committee has not always been able to act in a non-partisan manner. I do see a need to try to implement some winds of change and it has to be formalized and I am wondering what the committee has done, if anything, in that regard?

MR. WINSTON BAKER (Newfoundland): Very briefly, obviously you are right, that the next step in the process has to be, if we can agree on a general document that says, look, here is what we have in mind for a Public Accounts Committee, then the next step is to try and sell it. I do not know what suggestions you would have. I was intending to allow a certain time tomorrow or even while the auditors are in to discuss that very thing. Where do we go from here? What follow-up do we carry on with regard to these ideas? We have to do something, there is no doubt about it. Otherwise, if we just have it there and let it sit, then I feel we are not fulfilling our responsibility in this regard.

So it is a very important point and I think we should gather suggestions over the next day or two as to what we should do.

MR. CHAIRMAN: Any of the other two panel members, would you like to comment on that or do we go on?

MR. ED PHILIP (Ontario): I think I agree with Winston that it is an ongoing process and I do not think that this paper is finished at this convention. Hopefully, we will be adding to it as we look at what is happening throughout the world in this and getting more and more ideas.

MR. CHAIRMAN: Thank you. I think we will then move on. Mr. Ballinger is the next person to comment or have a question.

MR. BILL BALLINGER (Ontario): Thank you very much, Mr. Chairman. I would like to begin by saying to Mr. Fogarty, I am glad to see that someone else has a Bob Runciman on their committee as well.

I want to tell you I am here as a rookie, and I was a rookie in September, elected with a majority. One of the advantages, in my opinion, of a majority government is that a lot of people come to the Legislature, or even the House of Commons, without any preconceived ideas and usually not corrupted by the system. It has been my experience since September, and I think mostly due to our Chairman, Ed Philip, because five of the six government members had no experience whatsoever on Public Accounts. Ed took us through an orientation process in the very beginning and brought in some of the former members as they view the process and how we can contribute.

I guess, if there is any disappointment I have based on the fact that with our government we have five of the six that are new members, Public Accounts seems to have a low priority. I guess when you look at that, most of us, the government members were to list our priorities when coming to Queen's Park and areas of interest. I must admit that Public Accounts was not high on my priority list, but consequently I ended up being on Public Accounts. So it has been a very interesting process.

Since September, as a committee, there have only been a couple of occasions when there has been partisanship shown. Generally it is when somebody becomes very provocative, someone has a process or a private axe to grind that they want to pursue. You know, it is a game called politics we are involved in and there are times when, as a committee, you have to sort of make some fundamental decisions whether or not you should be supporting something because it is legitimate or something because it is political.

In the two occasions since September, where we have drawn Party lines in both cases, it was because they were extremely political.

MR. CHAIRMAN: Thank you. Is there any response? We could move on.

The next person would be Mrs. Firth. You are on.

MRS. BEA FIRTH (Yukon): Thank you, Mr. Chairman. I just wanted to make a few comments, which are personal opinions that I would like to express. I have been both a minister on the Public Accounts Committee and a member of the Opposition, which I am presently. First of all, I have to say that I think it is positive and progressive that we have a document before us today that we can sit down and use as a guide and an outline to discuss the issue that we are discussing, particularly the issue of the non-partisanshipness.

My understanding of the objectives of the subcommittee that was formed was that they were to come back with a model, a set of guidelines that Public Accounts Committees could operate under. Mr. Chairman, it is my opinion that rather than saying that something was unachievable that we do strive for the ideal and for the maximum and as Mr. Hovdebo said, look at what aspects of it are practical and usable and maybe perhaps we could capitalize on those particular areas.

If we do not do that, Mr. Chairman, I think we are very seriously in danger of jeopardizing the whole credibility and integrity of Public Accounts Committees. As a newly elected member, a minister and a new member on the Public Accounts Committee, I found myself put in the position of having to very purposefully become non-partisan with the committee. I looked at it as a them and us situation which was them the bureaucrats and us the politicians. I do not have to tell anybody in this room how fragile the politician's reputation is with the public right now.

I see this committee as a way of perhaps strengthening the general credibility of politicians with the public and in order to do that, we are going to have to arrive at some consensus and we are going to have to make it workable in the interest of the public.

The forms that we are talking about the kinds of examinations we are talking about are twofold. There is one avenue, which is a Public Accounts Committee, and in that avenue we examine the technical and administrative aspects of government. If there are issues that arise because of that, that are dealing with policy or politics that can be raised in the Legislative Assembly. It does not have to be raised in the Public Accounts Committee.

Really, the purpose for us today is to come forward with a set of guidelines or some model that we can recommend to governments and that we can work with. Governments do not have to take our recommendations, as I understand it. They can continue to set up committees that are overburdened with government members, that have ministers on them, that restrict time and finances or whatever.

Mr. Chairman, I would respectfully submit that that to me would become the political issue, if the government was trying to gag the Public Accounts Committee or the watch-dog of government spending. So I do not think we should be debating that as an issue here today, that we should be looking at what is most constructive and what is the best model for Public Accounts Committees to operate under.

I have no hesitation in saying, Mr. Chairman, that the Yukon Public Accounts Committee would not have any difficulty reflecting the model or the guidelines that the subcommittee has presented to us today.

MR. CHAIRMAN: Thank you. Any comment from the panel?

MR. ED PHILIP (Ontario): The only comment I would make is that, if a government wanted to gag the Public Accounts Committee, the best way you can do it is not provide it with adequate research facilities. If a government member comes into a Public Accounts Committee and an Opposition member, or the provincial auditor, is raising a matter and that government member does not have adequate research before him to help him look good then it is a natural gut reaction. What else are you going

to do other than to say, well maybe they are going too far and maybe I should defend the government.

On the other hand, if you have adequate research that all members then are on an equal footing, in our case our Public Accounts Committee gets broadcast, it is the only committee that is regularly rebroadcast on the Friday when the House is not sitting. We sit Thursday morning so it goes out over the air on Friday on TV. It is to the advantage of the government members to ask questions because in their home ridings they look good, but the only way they can do that is to provide adequate research to everybody.

MR. CHAIRMAN: Thank you Mr. Philip. I would now like to turn to M. Garon.

M. JEAN GARON (Québec): M. le Président, quand j'écoute des commentaires qui sont fait, j'ai l'impression que les choses sont beaucoup plus relatives que ça. Quand on parle d'efficace telle administrative, à mon avis, ils y a des cas évident de mauvaise administration. Tout le monde est d'accord, il n'y a pas de question de parti politique, tout le monde est d'accord, c'est une mauvaise administration. Mais il y a beaucoup de cas où l'efficace telle administrative ça fait partir au fond des conception qu'on peut avoir.

A ce moment là quand on dit qu'une comité n'est pas partisan, il me semble que quelqu'un a comme pensé que, un meilleur gouvernement c'est pas de gouvernement du tout, alors que quelqu'un qui pense que le gouvernement doit être plus interventionist, une conception différente des choses. Et que l'efficace telle administrative, ce n'est pas une véritable solution, c'est très relatif comme qu'on sait d'efficace telle administrative. L'optimization maximale des ressources, on peut être non partisan dans une comité mais diverger totalement d'opinion. Cà qu'est l'optimization des ressources, les règles comptables qui sont différents d'une province à l'autre, revue ou du changement très comptable au gouvernement. Au gouvernement chez-nous, on dit qu'il est un bien meilleur administrateur simplement parce que maintenant il additionne des revenus du hydro même s'il ne s'aperçu pas dividendes. Alors que l'ancien gouvernement ne compte pas dans ses revenue des profits d'hydro Québec quand il c'était pas évident de l'hydro. Il est la règle absolue là dedans.

Alors, à mon avis, il s'agit de considération qui sont pas nécessairement partisan mais qu'il releve de conception différente. Il n'y a pas de vérité absolue dans ces matière, à mon avis, il n'y a pas de véritable objective. On peut dire des choses contraire dans une commission parlementaire sans être partisan parce qu'on pense pas la même façon. Même le vérificateur général, quelqu'un dans tout d'assurance comptabilité partout vérificateur général, mais j'ai été ministre pendant novembre mais des fois ou vous être possible bien savoir lorsque pensait le vérificateur général parce qu'il ne connaissent pas ça.

Dans les assurance agricoles, par example, vous avez l'expérience des vérificateurs généraux là, et des comptables dans les assurance agricoles, je n'en connais pas beaucoup qui va nous parlons avec authorité dans ce domaine là, parce que c'est un domaine quoique pas son sujet. Ce n'est pas dans l'assurance vivre, ce n'est pas dans l'accident sur autombile non plus, c'est en quoique chose completement different, des assurance agricoles, par example, ou ca dépend du climat. En ce champ quoi les études actuelle dans le domaine des évaluation du climat, où encore d'assurance des revenus quelle sont les calculs actuels sur lequel on peut se baser de façon efficace. Quand on

parle de revenu agricole avec tout les cycles qu'on peut avoir dans l'économie agricole et de revue du vérificateur général dit, par example, il faudra capitaliser au revue d'assurance agricole où tel façon alors. Je me pense qui fait là au contraire subjectif qu'il pensait parce que c'est pas bon, parce qu'il connaissait pas ca sur suffisamment, parce qu'il y avait pas d'étude assez sérieuse là dessus, et que ceux qui connaissaient cà se trouvaient beaucoup plus en s'opposaient a lui que ceux qui defendait sont point dû.

Moi je pense que par ailleurs quand le vérificateur général fait des affirmations, je pense que les fonctionnaires devrait toujours avoir le droit de venir donner la réplique parce que le vérificateur général dit souvent, il a adopté un choix, il a fait un choix en analysant une situation. Son choix n'est pas nécessairement le meilleur. Pour qu'il y a un débat, il faut que ceux qui sont attaquer, je parle pas là de scandale, je parle pas d'administration grasse ou pourrir, je parle simplement de conception différente. Alors, je pense que longues fonctionnaires ou le ministère, soit c'est le sous-ministre ou le directeur général, qui a adopté la attitude différente et qui n'est pas d'accord avec le vérificateur général, devrait pouvoir de l'expliquer dans le comité parce qu'un véritable débat est pour quoi qu'il n'est pas d'accord, parce que le vérificateur général, c'est pas le bon Dieu. Il y arrive qui se trompe aussi, puis il adopte des théories, puis qu'il fait parti d'une école de penser souvent qui peut-être n'est pas nécessairement toujours la bonne.

MR. CHAIRMAN: Merci beaucoup. I wonder if there is any comment before we move on to the next section. I will call on Mr. Baker.

MR. WINSTON BAKER (Newfoundland): Yes, I would just like to respond to Mr. Garon. One aspect of his comments, I think it is absolutely essential that the Public Accounts Committee exists in the sense that, you are right, the Auditor General is not necessarily right. He is not always right. I am sure you have specific examples in mind and that the Public Accounts Committee provides an opportunity for the Legislature to look at both sides and to determine whether, in fact, the Auditor General has not handled things properly and at least hear both sides of it before the Legislature itself makes a comment on it and the Public Accounts Committee makes a comment on it. So, it is an important point.

MR. CHAIRMAN: Mr. Baker, I think that concludes this section and it is on to your panel to move into the next section, please.

MR. WINSTON BAKER (Newfoundland): Section III, very short in comparison to the last one, the Responsibilities of the Public Accounts Committee. There are five items there. Page 1 in that section, first of all, to Prepare a Written Description of Their Mandate. This is an elaboration on something that was stated earlier. A typical mandate, an example is given here and each jurisdiction really the Public Accounts Committee should have a stated mandate okayed by the Legislature or presented by the Public Accounts Committee for acceptance by the Legislature. This one here is the typical kind of mandate that could be written. On Page 2 a listing of some things that the committee investigates and reports to the Legislature on as responsibilities of the committee. You can have a look at that. You will notice that, again, I do not know if any jurisdiction does all of this at the present time, however, I would like to be able to do it.

On Page 3, the second item, to Ensure Public Accounts Committee Struck Within a Reasonable Time. This may seem like a kind on an insignificant thing to put in here, however, it is important that it either be in the Standing Orders or somewhere that the Public Accounts Committee is struck and operating within a reasonable time at the beginning of a new Parliament or after an election.

No. 3, Page 4, to Ensure it Obtains Resources Required to Efficiently Perform its Responsibilities and in a later section, the list of resources required is provided, but it certainly is responsibe to try to obtain the proper resources to perform the responsibilities.

The fourth thing, Page 5, the Responsibilities to Others Involved in the Accountability Cycle. That is part of the responsibility of the Public Accounts Committee. We have a responsibility, I guess, to all aspects as outlined here, but obviously we are the Legislature and our responsibility is to the Legislature of the province or country. We decided we would put this in here because simply to point out on paper that we have a responsibility to government, for instance, to correct difficiencies that are practical and feasible. We have a responsibility to the civil servants or other people that we question in public hearings, treat them fairly, make sure that all positions are explained properly and this kind of thing. So, we felt it should be spelled out.

On Page 6, No. 5, the Challenges Facing Public Accounts Committee and this is very much longer, obviously, and maybe it should have been in a section all on its own. It is an elaboration of some things that were mentioned previously. Some I would like to point out, just the headings.

"(i) To ensure the integrity of financial matters.", that is obvious. "(ii) To Perform its Role Without Developing Another Level of Bureaucracy.". There is great concern here in the sense that if the Public Accounts Committees are going to get into an awful lot of value for money, efficiency, effectiveness, get into many other areas that are in fact in danger of developing another level of bureaucracy and that is not really the purpose of it. Some comments about that.

There is a comment here about, for instance, that chairman, on Page 8, about the remuneration for Public Accounts Committee members and Public Accounts Committee work and that when the Public Accounts Committee is functioning as it should, that the chairman and vice-chairman or other member's positions be considered as full time positions in terms of a responsibility and pay be provided for such. I know that these things may be controversial, but we have put them in there for discussion at least.

To embrace and encourage new developments and techniques that will enable the committee to fulfill its mandate. That should be fairly obvious because we are in a changing world and the changing political world and governments change. As the changes happen in governments they happen in Public Accounts Committees and we have to be ready for them. We have to be aware of new kinds of expertise that are available to help us investigate or carry out our mandate.

So, these are the items in Section III, generally the responsibilities. I will stop there if either one of the committee members wants to add anything or if anybody wants to ask questions about it, fine.

MR. CHAIRMAN: I am open if there are any questions or comments on this section, if anybody has any questions or comments on Section III, otherwise we move on to Section IV. No questions or comments? Let's go on to Section IV.

MR. WINSTON BAKER (Newfoundland): Mr. Chairman, you are doing a great job here now. Section IV, the Rights of the Public Accounts Committee, 10 sections here, so it is a little bit longer. I do not know if we will get through it before our 4:15 p.m. deadline.

Section IV, No. 1, we have the right, To Have Permanent Referral as They Become Available of all Financial Statements and Auditors' Reports of all Publicly Funded Organizations, and there is an elaboration on it. Section IV, No. 2, To Investigate or Review all Past, Current and Committed Expenditures of Government and Organizations Referred to in Section 4.1 (III), and an explanation.

Section IV, No. 3, Request Auditor Generals/Provincial Auditors to Perform Specific Reviews. In here, of course, the auditors always have the right, because of resources, to refuse to do reviews immediately or, in fact, refuse to do them, but that is built into it and you can have a look at that.

Section IV, No. 4, the right to, Report to the Legislature Annually, and that should involve some debate in the Legislature. This is Section IV, No. 5, Page 7, the right, To Review New Legislation Pertaining to its Terms of Reference, Including but not Limited to Legislation Dealing with the Audit Act and Public Accounts Committee.

Section IV, No. 6, To Have Access to all Financial and Other Documents Pertaining to its Terms of Reference, Except for Cabinet Documents. That could lead to, what is a Cabinet document? That is one that I have been through a few times, I guess everybody has. But the right to documents, from what I have heard some people say here, might be something that might be difficult to obtain in a lot of jurisdictions.

Section IV, No. 7, the right, To Call Witness and Take Testimony Under Oath and there are a couple of pages of explanation there pertaining to witnesses. Section IV, No. 7, the right, To Meet When the House is in Session, Recessed or Prorogued. When the House is prorogued might be a, well, we will see what discussion comes from that.

Page 13, Section IV, No. 9, To Provide Parliamentary Scrutiny of the Office of the Auditor General/Provincial Auditor, something in Newfoundland we have been trying to do and have not yet succeeded in doing, but hopefully within a few months.

The final one, Section IV, No. 10, To Have Adequate Resouces to Fulfill its Mandate, that is a right. It was stated a little earlier. We have the responsibility to try to obtain the resources. We also feel we have the right to adequate resources to fulfill our mandate. That is Section IV.

MR. CHAIRMAN: Any other panel members of the other two, would you like any comment or will I just open it up to see? Mr. Ron Moore has a question or comment on that is appreciated. This is what we are here for to go over this draft and try to improve it and come up with improvements for the system. Mr. Moore.

MR. RON MOORE (Alberta): Thank you, Mr. Chairman. I just wonder if the committee really considered the volume of paper that for Section IV, No. 1, Page 1, would create, that tremendous volume of paper that would come in?

Secondly, on Section IV, No. 2, Page 3, you carry on, To Investigate or Review all Past, Current and Committed Expenditures of Government and Organizations Referred to in Section 4.1 (III), and that is the one I am talking about. There is no way, unless you are going to create a bureaucracy, which you just stated a little while ago you did not want to create, to do that. It would take an immense staff to analyze that amount of volume coming in. If you haven't got it, then we are again getting in that area out of touch with reality because there is that tremendous volume that would come in from all Crown Corporations and so on, and financial statements. It just does not touch on reality that you would have that and then go ahead an investigate and review past, present and so on. Can you explain how you anticipate to do all that?

MR. WINSTON BAKER (Newfoundland): Yes, first of all, your first comment, the right to have permanent referrals become available of all financial statements, auditors' reports of all public funded organizations. Yes, it is a fair volume of paper, I understand that and it will involve a fair amount of work. What we are saying is that we have the right to that permanent referral.

The other one you mentioned, we have the right to investigate all past, current and committed expenditures of government organizations. That does not mean that every year, for instance, we are going to review expenditures of everything under the sun that government deals with. It means that if I want to, for instance, go to the Newfoundland Hydro Company, that I have the right to. So, next year, if I want to investigate them then I would have the right to do it. They may never be investigated again by the Public Accounts Committee for another 15 years, but the right should be there and it is not necessary that it be done every year, so that is really the only comment I have had to make on it.

Whether you believe that the Public Accounts Committee should have that right now is a different matter. Do not forget, we are willing to make changes in this and that is what tomorrow's session is going to be about. We are going to talk in terms of how can it be, what changes are necessary here before we can say, this is a document that we can live with.

MR. CHAIRMAN: Mr. Stan Hovdebo.

MR. STAN HOVDEBO (Canada): I guess I want to ask a question or clarification. When you did this particular section, was this sort of the ultimate aim that you thought that maybe a committee could have, because there a lot of responsibilities or rights in there that I think that everybody would question at some stage? So, I was wondering, were you aiming at the ultimate or did you think this is really what the model committee should be?

MR. WINSTON BAKER (Newfoundland): A lot of it is based on things that are there previous. In order to carry out a responsibility or a function that we have or we have said we have, then we need this in order to do it.

To answer your question, obviously we do not have this and it would be difficult to get all this and maybe some time in the future we would like to have it, but these

are the things we would like to aim towards certainly. You see, you have to bear in mind all the time that we have said at the beginning that the Public Accounts Committee has a certain role to fulfil and then we have certain responsibilities to carry out.

As I said, it does not mean that all that we are able to do, that we can do all the time, because that would create too much of a problem and too much of a bureaucracy and another government department in effect, or another Auditor General's department, or whatever.

When you are talking about a committee that is made up of so many members, government members, Opposition members, that the committee decides itself what it is going to investigate and it does so in light of the time it has available to it and the particular interests at the time. Now, if a committee decides to investigate five or six items in the run of a year then what we are saying is, the committee should have the powers or the rights that would encompass almost any eventuality they would pick out according to the responsibilities.

Now I don't know if I am making myself clear, I have a problem sometimes in running on. To answer your question, it is the rights that we would hope to have and obviously none of us have them right now.

MR. CHAIRMAN: Ladies and gentlemen we have one other person, Mrs. Firth has indicated she wanted to comment. Is there anybody else right now that feels moved to ask a question in this section? I am just wanting to know if we can finish this this afternoon. Is there anybody else? We have eight more sections.

If there is not we will go to Mrs. Firth and then response and we will have a few comments and then we will be finished for the afternoon.

MRS. BEA FIRTH (Yukon): Thank you, Mr. Chairman. I simply wanted to ask the committee if they gave consideration to using another word instead of rights? Authorizations? Authorities? Powers? Everybody has rights.

MR. WINSTON BAKER (Newfoundland): We did not really consider that, but that is what this process is about.

MRS. BEA FIRTH (Yukon): I am just asking if the committee could give some consideration to that.

MR. WINSTON BAKER (Newfoundland): Yes, it may be. If I may, Mr. Chairman, perhaps people who have not had an opportunity to look at this in depth could do so before the meeting tomorrow and they may have some other questions on Section IV. Rather than simply closing it off, we will say that we could come back to Section IV tomorrow if anybody has any suggestions and changes and this kind of thing.

If there are any big problems that anybody has with regard to any part of it, make sure you let us know tomorrow morning because we have lots of time to discuss major issues. We will allow the time.

MR. CHAIRMAN: I want to thank Mr. Baker, Ms. Marzari and Mr. Philip for their time and effort. I want to thank them for all the effort they and all their officials put in to preparing this document. (Applause)

It probably is not perfect but it is a really good effort and they deserve a great deal of credit, because there are not a lot of political points and votes for them back in their constituencies, but it is important.

In the morning we are going to start off with Section V, unless there is somebody who has something specific on this section. In the meantime I think there are some extra copies if anybody wants to go over the rest of the report or all of the report.

Just a couple of announcements. I want to stress that the bus leaves at 5:00 p.m. and if you are not there to go to Peggy's Cove and the Shore Club you probably will not be going, because the taxi fare is expensive and I would not recommend that.

Somebody asked me about clothing. It is warm here and it is fairly warm in the city but I would suggest that you take a sweater and a jacket, at least a sweater, because it may seem warm here but when you get down to Peggy's Cove there may well be fog and you should at least have a sweater and possibly a jacket. That is what my recommendation would be. I realize that there are jackets and jackets. (Interruption) Yes, the final thing is, unless there is a question, this room will be locked up. You are welcome to leave any of your materials here except big piles of cash, I would not recommend that, but other than that, your documents I am sure are safe here.

Are there any questions before we adjourn until 9:00 a.m.? Thank you. We will see you at 9:00 o'clock in the morning.

[4:20 p.m.]

TUESDAY, JULY 12, 1988

[9:10 p.m.]

SECOND SESSION

Model Public Accounts Committee

MR. CHAIRMAN (Mr. William Gillis): Order, please. We will pick up where we left off yesterday, going over the report on the ideal Public Accounts Committee, the ideas that were put forward by Mr. Baker and his colleagues. I would like us to turn to Section V. We will deal with that section and go over it. One of the committee members will take us through and then we will have questions.

Mr. McLachlan, you had a question before we proceed.

MR. JAMES MCLACHLAN (Yukon): You said you would allow a couple of questions on the previous section because we were concluding it?

MR. CHAIRMAN: Well, I think that is in order. If there are some questions on the preceding section, we will deal with them and then we will move on. We are going to break at approximately 10:00 a.m. for a short time. We have to conclude our discussion of the report this morning. At 2:00 p.m., the Legislative Auditors and the Auditor General will be coming here to visit with us and then we will have an involvement with them, get some points of view from them. We will turn to any questions on Section IV before we move on.

MR. JAMES MCLACHLAN (Yukon): Thank you. Winston, mine relates to the section on the calling of witnesses, Section IV, Page 10. I want to ask about the statement requesting a Speaker's warrant to get an official to testify, " . . . which if ignored places the individual in contempt and can lead to imprisonment.". I wanted to solicit the views of the other members because I can just picture in our jurisdiction putting a deputy minister in prison if he refused to answer questions from the Public Accounts Committee. What exactly did you mean by this section? Is it as stiff as it seems to indicate in print?

MR. WINSTON BAKER (Newfoundland): I feel that if we are going to be taken seriously we have to have some kind of power in terms of calling witnesses, firstly. Secondly, if a witness refuses to appear then we can request a Speaker's warrant, which means it has got to go to the House, to the Legislature. At that point, if the Legislature sees it as a legitimate case, obviously then the Speaker's warrant will be issued, but that brings it back to the Legislature and it avoids any appearance of frivolity and so on. If the Public Accounts Committee is perhaps being too demanding, then the Legislature as a whole can then say, well, I am sorry, there is no Speaker's warrant that can be issued. So it brings it back to the Legislature is the point. If the Legislature actually says, yes, to the Public Accounts Committee, that witness must appear before the Public Accounts Committee, then if the witness does not, it is contempt of the House, contempt of the Legislature. It is just a process to make the point that we have to be able to call witnesses and we have to have some clout behind us, the Legislature.

MR. ED PHILIP (Ontario): I do not recall that our committee has ever used it. It is useful to have. When I was Chairman of the Justice Committee, we had someone who refused to appear and the clerk of the Committee simply explained the process and what could happen. That had a sobering thought and he came along willingly, but I don't know that we have ever used it. We tried to use it on the President of Bell Canada, but since he lived in Quebec, we found out that we didn't have authority and he used his immunity by being across the border.

MR. JAMES MCLACHLAN (Yukon): That is fine. I just wanted some explanation from the others as to their feelings on that issue. We have not had occasion to use it. Of course, I realize these are only draft intentions, but I wanted to hear from some of the other members as to what they thought about that one because it seemed fairly stiff.

MR. CHAIRMAN: We have a gentleman, maybe you could introduce yourself, sir.

MR. ALAN REDWAY (Canada): I will indeed, Mr. Chairman. I am Alan Redway, the Vice-Chairman of the Canadian Public Accounts Committee. I apologize for not being here yesterday.

I want to take us back momentarily just before Section IV to Section III, if you do not mind. My understanding is there was not any discussion or very much discussion relating to the question of breaking down into subcommittees, the possibility of a Public Accounts Committee breaking down into subcommittees. That is something that we have discussed in Ottawa. We found some difficulty because of the make up of having an Opposition chairman and government members as well and, therefore, we found some difficulty in the concept of subcommittees. It is one that appeals to me greatly because of the amount of work you can cover by subcommittees rather than

just having one committee going at the work generally. I am wondering if there are any jurisdictions in Canada that do utilize subcommittees of the Public Accounts Committee and whether they have had any problems with that?

MR. ED PHILIP (Ontario): We use the subcommittee to examine the Premier's travel. We meet in camera because of security reasons, the Premier's travel itinerary should not be made public. The reason that I think some of us were impressed with the idea of a subcommittee is that the congressional oversight committees frequently use them and they seem to have been a useful way of covering a lot of areas. It is also useful in terms of investigative visits. We were talking about the possibility of doing that in our follow-up on mental hospitals, where we may send part of the committee to one mental hospital and another to another one.

MR. CHAIRMAN: Is that okay, Mr. Redway, for now? We are going to be able to come back to general questions at the end, in any event.

Mr. Baker and then we have Mr. Fogarty on, I assume, Section IV.

MR. WINSTON BAKER (Newfoundland): Yes, I just want to point out that in what is coming up now in terms of the make up of the committee, the point is made that to hear evidence you don't need a quorum of the committee to hear evidence. The reason that was put in there was for this very reason, that if you have to travel somewhere many times you do not need to have the whole committee to do a particular investigation, so you have two or three members who go, travel, collect evidence and so on. So that is the very reason that that particular section was put in there.

MR. ALAN REDWAY (Canada): You still have the breakdown, however, between government and Opposition members, so you still have to have the same representation on a subcommittee that you would have on the full committee, is that what you are saying?

MR. WINSTON BAKER (Newfoundland): The only thing specified in here, a little later on, is that there should be one government and one Opposition member and it is not specified beyond that.

MR. ALAN REDWAY (Canada): Yes. It doesn't necessarily mean that the Opposition member has to be the Chairman. Thank you.

MR. CHAIRMAN: Ladies and gentlemen, I would like to call on Mr. Fogarty on Section IV and then we are going to move from there into Section V. If there are no other questions, I would like to get on and try to get through the report. Keep in mind that if there are any questions on the first part, we can deal with them at the end and then we will deal section by section. Mr. Fogarty.

MR. ALBERT FOGARTY (Prince Edward Island): Thank you, Mr. Chairman. We saw a need this past year to attempt to meet inter-sessionally. That was blocked by the government. I am curious, Winston, I see we just have a handout dropped on the desk here now, it may contain the information that I am after, in fact. I wanted to know how many of our committees, provincially, do meet inter-sessionally and how many of these committees have a mandate to meet each and every year. Is that on that handout that has just been popped onto our desks?

MS. DARLENE MARZARI (British Columbia): It is half way down the page, meeting during recess prorogation, eight jurisdictions meet during recess and the rest do not.

MR. CHAIRMAN: Does that answer the question?

MR. ALBERT FOGARTY (Prince Edward Island): Yes, it does. Thank you, Mr. Chairman.

MR. CHAIRMAN: Unless there is anybody who really has something that has to be asked now, I would like to move on to Section V. We will deal with it section by section and try to have some time at the end for any questions on any section.

MR. WINSTON BAKER (Newfoundland): Section V, Committee Membership, is fairly straightforward. There is not very much material here.

First of all, Size of the Committee, Section V, Page 1, we are recommending anywhere from 5 to 11 members, depending on the jurisdiction and depending on the make up of the Legislature. We felt, as pointed out here, that that was the efficient range. With more than that it probably becomes inefficient and with less it probably becomes inefficient. So that is our recommendation.

On the Makeup of the Committee, Section V, Page 2, we are suggesting proportional representation and we have some other things added. For instance, the chairman is not included in the proportional representation, ". . . except where to do so would cause the majority of the Committee to differ from the majority in the Legislature.". If there are any fractions, they get rounded up in favour of the Opposition Party but only where it does not change the balance of power in the committee. The committee structure majority has to be the same as the majority in the House. So that is the Makeup of the Committee.

On Substitution, Section V, Page 3, we believe that substitution should be discouraged. We have one comment on substitution, but the point is that we believe that the work is more effectively done if a number of people are involved from the beginning. We are suggesting that there be no substitution during the examination of an item, that if any substitutions are permitted, they be done right before the examination of a particular item.

On the Life of the Committee, Section V, Page 4, "The Public Accounts Committee shall be appointed for the life of the Legislature.", and there are some comments on that, a comment on the continuity of the membership.

The final part, Section V, Page 5, Ministers as Members of the Public Accounts Committee. We say, "Ministers shall not be appointed to the Public Accounts Committee.". There is some discussion of parliamentary assistance and things like this and the reasons why it is not appropriate to appoint ministers.

So that is that section, Mr. Chairman.

MR. CHAIRMAN: Ladies and gentlemen, are there any questions or comments on Section V? I do not see any questions. It is pretty straightforward.

I would like to call on Mr. Baker and members of the subcommittee to move on to Section VI, please.

MR. WINSTON BAKER (Newfoundland): Section VI deals with the Resources Required by the Public Accounts Committee. First of all, Section VI, No. 1, Monies to Enable the Committee to Conduct its Affairs, because there are obviously expenditures. The requirements for funds are listed at the bottom of Page 1 and onto Page 2. Obviously, there should be a budget for the committee for these reasons.

Section VI, No. 2, Page 3, deals with the Meeting Rooms that have to be appropriate for public hearings and, if necessary, translation staff and the Hansard reporting and whatever.

On Staff, Section VI, No. 3, Pages 4 to 6, this is a little bit longer because there is a variety of jurisdictions in the country. The bottom line is that sufficient staff should be provided for the committee to carry out the mandate and we have listed the kind of staff that is required, including, the "Clerk and Research Staff", the "Hansard Staff", "Other Staff", "Experts" that might be required from time to time.

MR. CHAIRMAN: On Section VI, are there any questions or comments? Oui, M. Lemieux.

M. JEAN-GUY LEMIEUX (Québec): J'aimerais savoir, qu'est-ce que actuellement quel est le budjet? Chez-nous, au Québec, nous disponsons seulement d'un recherchist et d'un montant de recherche environ d'une somme de $25,000, et j'aimerais savoir actuellement, au niveau des différente Comités des Comptes Publics du Canada, de quel budject dispose t'on, et est-ce qu'actuellement des certain Comités des Comptes Publics ont un service de recherche, c'est a dire, deux, trois, ou quatre recherchists et de quel type budget qu'il dispose?

MR. WINSTON BAKER (Newfoundland): Well, from the point of view of Newfoundland, I could deal with our situation. We have a committee budget of about $100,000. That is not entirely Public Accounts Committee. For instance, there may be some other committees that need some money and that is taken out. The Public Accounts Committee, I don't know exactly right now, but probably in the last year has maybe spent $50,000 to $60,000, but there is up to $100,000 available.

MR. CHAIRMAN: Ms. Marzari, would you like to comment?

MS. DARLENE MARZARI (British Columbia): Yes. Craig James produced this update on the Kelly Hansen Report, which basically does a comparison of about 30 criteria for various Public Accounts Committees. You can see there that six jurisdictions have research staff. Now that does not break down the research budget nor does it tell you where those staff come from, whether they are through the Legislative Assembly or whether they are through the Clerk's office or the librarian's office, and five do not.

I think it would be very interesting to do a breakdown on the relative difference in quality of meetings and number of meetings, that that alone could be a major indicator as to the effectiveness and the visibility of the Public Accounts Committee.

MR. ED PHILIP (Ontario): In Ontario we do not have a budget for research because it comes out of the Legislative Library research budget. We, in fact, spend it

and at the moment of course we have one person, Wendy MacDonald, who is here, who is working almost exclusively full time with the committee. We also have a lot of backup if required.

Our committees also have the power to go and put into their budget a request for council, if necessary, and indeed the Ombudsman's committee has an ongoing council on contract to ensure adequate research and that kind of thing. There is also the possibility but it has to be presented.

I think research is essential. If the committee is going to be non-partisan, if all members are going to feel that they can actually ask meaningful questions, then without adequate research you might as well just pack it in and you are just going to get the kind of superficial questions that are not going to mean much.

It also means, I think, that the government members on the committee are more likely to be defensive if they do not have adequate research, and if they haven't been briefed properly, because if you are not familiar with the subject then the normal reaction is to simply protect your friends. Adequate research and briefing really does add, I believe, to the non-partisan nature of the committee and therefore makes the committee effective.

MR. CHAIRMAN: Are there any other questions or comments on this section? I would like then to move on to Section VII. I would just ask everybody, again when you begin your remarks please identify yourself. We all know you, but for Hansard and for later transcription it would be really helpful to have the person's name when you start your remarks. Thank you. Section VII.

MR. WINSTON BAKER (Newfoundland): The Powers of the Chairman, the Roles and Responsibilities, and the Duties, this is an important section. If the Public Accounts Committees are operating and have the resources and if everything else is in place I think the working of the committee, the success of the committee, what the committee accomplishes is going to depend on how the chairman does what he or she is supposed to do.

We have tried to spell out here some things concerning the chairman, we may have left out things, included things we should not have. I think you should have a look at it and of course make any comments you might have.

We dealt with the powers, role and responsibility. In Section VII, No. 3, we have listed a lot of duties of the chairman and I said, "The duties of the Chairman include the following:". There may be others but I think the key thing is that the chairman has to be the type of individual that has a sense of purpose and a knowledge of Public Accounts Committees and the workings of Public Accounts Committee and also a knowledge of inter-personal relationships and so on. As has been pointed out here many times in the last day or so, the big problem with the non-partisan nature of the committee work as a whole is important and whether that occurs or not can be helped tremendously by the chairman and the way he or she conducts the meetings and so on.

Mr. Philip pointed out, for instance, something that I had not specifically thought of but it is kind of important. He said that the automatic going back and forth from Opposition to government member, which would seem to come second nature, perhaps reinforces the partisan nature of the whole thing and somehow the chairman should try

to handle it so that this partisanship, even though obviously expressed by individuals, does not come through in the committee as a whole.

It is an important position and I am not so sure that we have dealt totally or adequately with that particular position, but at least it is an attempt and I would be interested in hearing your comments on it.

MR. ED PHILIP (Ontario): We also added on Sunday when our subcommittee met an extra duty on Section VII, No. 3, Page 3, which would come as the third duty. I just have it in my own writing and I think it is intended to be added, to define the scope of the hearing at the commencement of the meeting, to propose structure to an inquiry and to summarize the findings of the committee after the hearing or at the end of the hearing. So you may want to pencil that in if you feel it is appropriate. (Interruption)

I have just been told that some of the last minute changes that we agreed to when the subcommittee met on Sunday will be typed up and handed out to you as amendments to the report.

MR. WINSTON BAKER (Newfoundland): One of the obvious things, if I could add, Ed, that I have been reminded that we have left out, is that we have tended not to refer to the territorial governments and it is an oversight on our part. We have to correct that as well as we go through. So there are corrections that are going to have to be made.

MR. CHAIRMAN: Dr. Seaman.

DR. KAL SEAMAN (New Brunswick): Thank you, Mr. Chairman. My name is Dr. Kal Seaman, the Vice-Chairman of the Public Accounts Committee of New Brunswick. In reference to Section VII, Page 1, "The Chairman shall be a member of the official opposition party, . . .". It is quite obvious in New Brunswick we cannot comply with that.

Since you are in the throws of making amendments maybe you might take us into consideration.

MR. CHAIRMAN: Are there any other comments or questions on this section? Otherwise, we will move on to Section VIII. Mr. Baker.

MR. WINSTON BAKER (Newfoundland): This section is one page, half a page, the vice-chairman. It is pretty straightforward and I will just leave it at that.

MR. CHAIRMAN: Section VIII, are there any questions? We will move on to Section IX, please.

MR. WINSTON BAKER (Newfoundland): Section IX again is simply one page, the Steering Committee, the Role and Meetings of the Steering Committee.

The function of the Steering Committee, of course, is to expedite the proceedings of the committee as a whole. We have simply indicated the Steering Committee's role, ". . . is to review sensitive documents, . . .", and so on, " . . . to monitor the progress of Committee work and recommend to the whole Committee the . . . agendum; the

number and timing of meetings and hearings; . . . contents and recommendations that should be included in the Committee's reports.".

In other words it is an expediting committee, a screening committee made up of, I believe we are suggesting the chairman and one member from each Party caucus. Maybe we should not specify that, I do not know, but it is an attempt to, previous to making decisions in committee, that all political representations on the committee make certain decisions and come to certain agreements. It is a mechanism intended to make sure that the actual workings of the committee, when you get to the public hearings, when you get to the meetings, is as non-partisan as possible. So that is the Steering Committee, Mr. Chairman.

MR. CHAIRMAN: M. Pouliot.

M. GILLES POULIOT (Ontario): Merci, M. le Président.

Concerning Section VIII, Vice-Chairman, I have some difficulty understanding the rationale, or I should say an intent and spirit why the omission a member of a third Party having access to being vice-chairman?

MR. ED PHILIP (Ontario): I think I suggested that and some people were upset by it. If my suggestion had passed, you would not be the Vice-Chairman of the Public Accounts Committee in Ontario. So maybe you should consider it to your advantage.

M. GILLES POULIOT (Ontario): We never suggested with respect that you were the problem, Mr. Chairman.

MR. ED PHILIP (Ontario): No, no. We were suggesting that it could come from a third Party and for whatever reason, I think it was a matter of voting that it should be a member of the Official Opposition in the chair to break a tie vote. I think that was the rationale, but I cannot remember the discussion. Maybe you can remember the discussion.

MR. CHAIRMAN: Are there any other comments on this section? I do not hear any questions or any person seeking the floor, so this completes Section IX. We are now on Section X. Mr. Baker.

MR. WINSTON BAKER (Newfoundland): This section is a bit longer, it deals with the meetings and procedures. First of all on Page 1, "The Steering Committee meetings . . . held in camera.". There is a little more detail given on the meetings here than was on the previous page that we referred to a moment ago, a little more detail on the Steering Committee's work.

There are some comments on in camera meetings, the reasons for them and some comment on the minutes, then a comment on public hearings. I am just noticing a duplication here now. Anyway, a very short comment on public hearings. A lot of what is in here has to do with the public hearings anyway.

Another comment, this is a duplication. There is another comment on in camera hearings on Page 5 that simply says, "In camera hearings should only be held in instances when evidence of a particularly sensitive nature is given.". This is in terms

of evidence. The previous section dealt with other reasons for in camera meetings. The reasons for having in camera meetings to deal with sensitive information is given here.

On Page 6, Section X, No. 5, The Auditor General to Attend all Hearings. That perhaps may be debatable, but anyway, we are suggesting that, "The Auditor General or his representative shall attend all Committee hearings.".

On Page 7, Section X, No. 6, the Location of Meetings and Hearings, is a point that has already been made, but we thought we would make it again in this section.

On Section X, No. 7, Quorum, which is the thing I referred to a few moments ago, "A quorum shall be required at Committee meetings and hearings only if a vote is to be taken.". For taking evidence a quorum is not required. We suggested the rule to follow in terms of hearings.

No. 8, Pages 9 and 10, Conduct of Meetings and Hearings, that seems to be pretty straightforward, although in reading it you may find problems.

No. 9, Page 11, the existence of Verbatim Transcripts, the Hansard recordings that should be made available as soon as possible.

No. 10, Page 12, a comment on the Minutes of all committee meetings and hearings. There is not much there.

No. 11, Page 13, Motions. It mentions, "Motions for major items should be deferred to the next meeting . . . Motions should always be used when requesting the Auditor to conduct an investigation . . . ", and, "The vote on motions should only be recorded when requested.".

In Section X, the final section, No. 12, Meetings for Educational Purposes, this could have been much longer. There are a variety of reasons why general meetings for educational purposes should be held. Ed or somebody from the Ontario delegation mentioned the meetings that were held for educational purposes and for professional development meetings were held at the beginning of their current term and how valuable it was. I would suggest that from time to time, if committee membership changes, that you need to go back through that procedure to make sure that all committee members recognize what the purpose of the committee is and how the committee functions. So there could have been, perhaps, a much longer section on this General Meetings for Educational Purposes and for professional development purposes.

These are the items in this section, Mr. Chairman.

MR. CHAIRMAN: Yes, Mr. Redway. Then if anybody else wants to question or comment just put up your hand and I will mark your name down.

MR. ALAN REDWAY (Canada): Thank you very much, Mr. Chairman. I was interested in Section X, Page 7, the Location of Meetings and Hearings, and the reference to, "Committee members may as well wish to travel to different areas to visit facilities . . .". Are you suggesting that that would be individual members or the entire committee that could be travelling together to visit facilities?

MR. WINSTON BAKER (Newfoundland): I believe myself that as a Public Accounts Committee we should pay due regard to the expenses that we are incurring along the way and usually that would be the steering committee or the chairman, vice-chairman or a committee of the Public Accounts Committee. It depends on how serious the problem is. Maybe it is the kind of thing that simply requires somebody to look at and report back to the committee. Maybe it is the kind of thing where the whole committee needs to go. It is a decision that has to be made by the committee, obviously, but I think the committee should always pay due regard to the fact that we are a Public Accounts Committee and we should not spend money unnecessarily.

MR. ED PHILIP (Ontario): If I may offer a different point of view. I would be interested to hear Alan Redway's views on this because they do have a very effective committee. It seems to me that it is one thing to go as a subcommittee to collect information within your own jurisdiction. I think it is fairly destructive to send part of a committee to an educational opportunity, and this may be a controversial statement, but I think people undergoing an educational experience, it is useful to have all of the committee and, therefore, that there are certain emotional, intuitive things that cannot be learned by simply having somebody come back and put in black and white some intellectual concept. I think that our committee has tried to take all members of the committee or not go at all. I think that is a useful rule of thumb.

MR. ALAN REDWAY (Canada): It seems to me that that is a good approach. I was concerned by the way in which this was set out in black and white that, perhaps, an individual member of the committee, you were suggesting, could decide on their own to make an investigative trip and that would be the thrust of it. But your intention is that it would be something that the committee approves as a whole, either the entire committee or part of a committee. My sense would be that it should be opened to the entire committee as well.

MR. CHAIRMAN: M. Lemieux.

M. JEAN-GUY LEMIEUX (Québec): Ce qui m'intéresse toute particulièrement, à la section X, c'est la participation du vérificateur général à toute les audiences. Lorsque l'on regard le deuxième paragraphe de votre Page 7 at la version française, vous dites, le vérificateur général doit assister tout aux audiences afin de donné au comité ses conseil et son opinion sur les sujets comptables.

Ca que j'aimerais savoir est, c'est que nous espérons ou nous songons sérieusement au Québec a être en mesure de faire comparaltre, déci l'automne, de certaine, au fonctionnaire, chose qu'il ne s'ait jamais faite après une opinion juridique de certain experts à le soit et le compétence de notre commission. Et d'une manière concrète et pratique, nous somme inquiets a savoir cela selon le modus operandi, la façon dont le vérificateur général doit jouer son rôle. Est-ce qu'il a un rôle vraiment déterminant? Est-ce qu'il doit être venir directement dans le débat?

A titre d'exemple, si le vérificateur général là a effectué une vérification intégrer au sens d'un organisme et que notre commission décide de faire comparaltre cette organisme, là le vérificateur général peut-t-il intervenir directement dans le débat? Peut-t-il lui même poser les questions à cette organisme là, ou si strictement son rôle est conseil auprès de la commission? Et, j'aimerais bénéficier peut-être de l'expérience de l'ensemble législateur à cet effet là. Merci.

MR. WINSTON BAKER (Newfoundland): You are absolutely right and maybe this is something that we should have dealt with, we just haven't dealt with that there. I mean, my understanding is that the Auditor General is there as a resource, that if some information is required he is asked to provide that information and does not function as a member of the committee, obviously, does not intervene, does not ask questions unless called upon by the Chair to do so.

The only concern here was that when a committee is investigating a matter raised by the Auditor General then it is obvious the Auditor General should have the input. When a committee is investigating a matter that was not specifically raised by the Auditor General, we felt it was important to have that expertise available at the meetings. It should be pointed out that there are an awful lot of areas where the Auditor General investigates but does not report on it. Perhaps, the very area that we are talking about, the Auditor General has over the last two or three years done considerable investigation into the area that we are looking into but has never ever reported on it.

So we felt it was important to make the point that no matter what you are looking into in terms of Public Accounts of the province, that really the Auditor General should be there as a resource person. So that was the intent of it and maybe it should have been spelled out more clearly, I agree with you.

MR. ED PHILIP (Ontario): In Ontario, we find it very useful to have the auditor. The auditor sits beside the chairman during hearings. I will normally ask him if there are any other issues after questioning that he feels should be brought up. We will also ask him during the recommendation stage whether he has any comments on the recommendations. For example, if the committee were to go so far as one of its recommendations to ask to have an auditor conduct a forsenic audit by a certain date then the logical questions would be, do you have the staff or do you know where you can hire the staff to do this or is the date for completion realistic? Often the auditor can be very useful in working out some of the practicalities of a proposal of the committee and make it more practical.

MR. CHAIRMAN: Any other questions?

MR. ALAN REDWAY (Canada): If I can just follow that up, Mr. Chairman, does that mean, Ed, that in Ontario the auditor would be at the in camera where you put together a report with recommendations in each case and that he would be asked, specifically, his opinion on those recommendations?

MR. ED PHILIP (Ontario): Yes.

MR. ALAN REDWAY (Canada): Interesting.

MR. ED PHILIP (Ontario): Interestingly enough we have discussed this in the committee a while back. We don't see ourselves as a quasi-judicial body, I guess, deciding between the ministry and the auditor the way that the Ombudsman's committee would. It is interesting that geographically the auditor sits up front with the committee unlike the Ombudsman in the Ombudsman's committee where he is placed as a witness, which is much more analogous to your situation. It doesn't mean that the auditor always gets away without some very tough questions asked by members of the committee.

MR. CHAIRMAN: Other questions or comments on this section.

MR. ED PHILIP (Ontario): Some of us who have seen Alan ask questions in the federal committee, perhaps, are amused by his smile when we said that the auditor doesn't always get off very easily.

MR. CHAIRMAN: M. Grondin.

M. GILLES GRONDIN (Canada): Peut-être que vous répondre à la question à M. Lemieux. Comment travail beaucoup nous avec le rapport du vérificateur général, je pense qu'il est très important pour lui d'être présent, parce que normalement lorsque le rapport est déposé, il y a déjà eu des contact qui ont été fait avec les départements ou les services, ou les ministères avec duquels il y a eu une vérification plus pousser. Et à ce moment là, ça qui arrive c'est que le vérificateur peut déclarer à comité en l'avisent si oui ou non les recommandations qu'il a fait ont été suivi, aussi les solutions ou recommandations qui ont été formulés sont de nature améliolrer le service ou la qualité de la gestion ou du contrôle dans les différents ministères qui sont vérifier d'une façon plus spéciale.

Et à ce moment là, je pense que ce qui est aussi extrêmement d'importance c'est que pendant l'audition lorsque le vérificateur général est présent, il nous arrive assez souvent d'avoir à demandé l'opinion du vérificateur général a partir des reponses qui nous sont fourni par les fonctionnaires qui sont en face de nous et qui répresentes le ministère impliquer. Là si, par exemple, on a devant nous les représentants du ministère des Transports et que nous allons une autre fois pour une initiale réponse qui nous apparaît plus ou moins satisfaïsente tout encore qui m'y perpétrait d'autre d'efficace-tions, on peut demander à son officiel directement ou vérificateur général si oui ou non. Les propos qui ont été tenue par le fonctionnaire peuvent aller de façon positive en améliolrer la situation ministère des Transports.

MR. CHAIRMAN: Any other questions or comments? Seeing none, I would ask that we move on to Section XI.

MR. WINSTON BAKER (Newfoundland): Committee Reports. We have tried here to accommodate the way that people are now operating, really. We started by saying, "The Committee shall table a report at least annually in the Legislative Assembly.", and deal with interim reports and so on.

We feel in terms of the Contents of Reports, Section XI, No. 2, that there should a single report. If a jurisdiction is giving reports as they finish items and they table 7, 8 or 10 reports in the run of year that at least once a year there should be a single report presented that stands on its own, that summarizes the items. We outlined in Contents of Reports what we feel should be included in this one committee report each year: a description of the matters being investigated; a summary of the significant evidence; the findings; the recommendations of the committee; follow-up activities and so on. So we feel that each year there should be one report summarizing the total year's activities and that every year there should be a report.

There is a section in here dealing with Confidential Evidence, a section dealing with Minority Reports. Sometimes you run into the situation where consensus can't be obtained on a committee and individuals feel strongly enough about an item that they feel a minority report is necessary, then that minority report will be included with the

whole report. A section on Naming Individuals, a section on Tabling and Debating of Reports. There should be allowance made for debate of reports in the Legislature. The Distribution of Reports, who gets copies and we have suggestions there.

So that is Section XI, Mr. Chairman.

MR. CHAIRMAN: Questions or comments on Section XI? Mr. Redway.

MR. ALAN REDWAY (Canada): Yes, Mr. Chairman, relating to the question of debating reports, I would interested to know how many different committees actually in their Legislatures have an opportunity to debate, to move concurrence or whatever and debate each and every report that they file. That certainly has been a very difficult question in the House of Commons because of government business and the problem of allocating time with other so-called important matters. What is the experience of other jurisdictions in that respect?

MR. WINSTON BAKER (Newfoundland): On the summary sheet that was passed out, Public Accounts Report, the second last one, debated in Legislatures, you will find that five do not and the rest do. I would be interested in comments from some of the jurisdictions to what extent do they debate, because in Newfoundland we have great difficulty in debating the report of Public Accounts Committee in the Legislature. There really is no allowance at the present time. We are trying to work it in. I would be interested to hear comments from some of the jurisdictions to say they do debate it and find out to what extent they debate it.

MR. ALAN REDWAY (Canada): Exactly, because we do have the opportunity on rare occasions to actually have a debate on a report, but it certainly is not a common practice.

MR. ED PHILIP (Ontario): I guess my feeling and maybe some of my colleagues from Ontario may differ with this, but my feeling is that the only time that a report should be debated would be if it has specific recommendations that relate to changing Standing Orders or making amendments to the Audit Act. My experience has been that when the Public Accounts report is debated in the Legislature, it is simply members of the Public Accounts Committee who are there with very few other people either understanding or or being interested. I think from talking with Alan and some of the federal members, I get the impression that they feel that the follow-up on the committee report with the individual public servants is a lot better use of their time than recycling the arguments of committee only in the House of which there are only the committee members present anyway. So, my feeling is that you only debate it in the House if you are recommending changes that the House may have to implement or changes to legislation.

MR. CHAIRMAN: Other comments, any feedback from other provinces where their report is either debated or not debated? M. Lemieux.

M. JEAN-GUY LEMIEUX (Québec): Au Québec, tout rapports de commission, contenaient des recommandations, est débatu en Chambre pour une période de deux heures de parler d'autre, avec quelque annonces, 20 minutes pour chaqu'un des membres de la législateur et il n'y a pas de vote comme tel sur le rapport. C'est ca que j'avais à vous donner l'information. Merci.

MR. CHAIRMAN: Merci beaucoup. Other comments? Yes, Mrs. Firth.

MRS. BEA FIRTH (Yukon): Thank you, Mr. Chairman. In our Legislature, we debate the Public Accounts Committee report and ministers are required to respond to their particular areas publicly. I think if we are going to continue try to heighten the public's awareness as well as the civil servants' awareness of the function of the Public Accounts Committee, that we should be debating the report in the Legislature.

MR. CHAIRMAN: Any other comments or questions? It might be then an appropriate time, we have one section left and then we are going to go on to some specifics after our break. I think it is time for us to take a break until 10:30 a.m. precisely if we can. We would like to get back and finish it up. So we will break now, come back at 10:30 a.m., finish Section XII and then we will deal with some general matters on the report. Thank you.

[9:59 a.m.]

[10:33 a.m.]

MR. CHAIRMAN: Order please, to resume the session please. We were on Section XII, which is the last section of the draft report and I would like to call on Mr. Baker to complete this section and then we will move on to a general discussion and any specifics that you might have before we adjourn for lunch and our joint session with the auditors at 2:00 o'clock. Mr. Baker.

MR. WINSTON BAKER (Newfoundland): Thank you, Mr. Chairman. The final section, Follow-Up, is very important even though it is not dealt with in any great length here. There is a page and a short paragraph. Follow-up is obviously important because it is one thing to make recommendations, the other thing to see that they are carried out or to at least try to get them carried out so that government, agencies and the Civil Service does not get into the habit of simply coming to Public Accounts hearings, of listening to or receiving recommendations and then ignoring it.

I do not know what more can be done in terms of effective follow-up procedures and I would be interested to hear any comments you might have on it. I should point out that the last paragraph, on Page 2, of this section, a few lines have been changed and you can put an X through what is there.

The committee has agreed that should read, "The Committee should determine for each item, the appropriate time for department agencies . . . to respond and follow up procedures, . . . will be initiated after that time has elapsed.".

So, it is a little different from what is there now. That is one of the changes that will be passed along to you, hopefully tomorrow morning. That is the final section. I would be interested in hearing any comments about follow-up that anybody might have.

MR. ED PHILIP (Ontario): I just wanted to comment that when our committee met with some of the oversight committees in Washington, they convinced us of the value of having the special committee report and of having a deadline on which a follow-up would be done. They claimed that the power to recall and question by a certain deadline was the strongest motivater they found in getting changes done. The deputy minister

knows that in 120 days he will have to give either a written report and if that is not satisfactory be recalled, is under a certain very strong motivation not to be recalled. Certainly, the U.S. Congress uses it constantly and that is why we have changed our procedures and we think that it is being effective.

MR. CHAIRMAN: Comments or questions on Section XII, please. Mr. Alan Redway.

MR. ALAN REDWAY (Canada): I was just going to make a very brief comment that our committee had a little visit to the Netherlands last November. One interesting point we found there was something called the Bill of Indemnity, which I suggest to your committee to investigate. The Bill of Indemnity was when they found some wastage or what have you, inefficiency in government expenditures. They introduced a bill which required the minister to personally be liable and responsible for that sum. I recommend that to your committee for its consideration. (Laughter)

MR. CHAIRMAN: Any other questions on Section XII? Not seeing any person with their hand up, I say we indicate that is the completion of Section XII and I would turn the meeting back to the subcommittee, Mr. Winston Baker. I know there is at least one question of a general nature on different parts. Mr. Pashak, is yours on Section XII or is it on another part?

MR. BARRY PASHAK (Alberta): Main part.

MR. CHAIRMAN: Main part. Well, I will turn it back to Mr. Winston Baker. We are now through the detail section by section and will handle it whatever way you might suggest, Mr. Baker, from here, but there are a couple of questions pending.

MR. WINSTON BAKER (Newfoundland): Thank you, Mr. Chairman. I would like to get to the general comments and so on. I would like to point out to the meeting that there is still one thing that remains to be dealt with and that is what happens to the documents after this meeting. If we are going to prepare a revised document to distribute, we need I estimate about 300 copies available. We believe that it should be in a loose-leaf kind of format where pages can be removed and so on in succeeding years as changes take place and amendments take place to the document.

This is going to cost money and I just wanted to raise that point. We, as a committee, have no money. The group itself does not receive contributions from provinces and build up a fund. Our contribution, of course, is handling the conference every time it comes to our jurisdiction and that is an expense every 12 years. So, that is the only input in terms of money from the provinces and the federal government that we have. So, we do not have any money, yet we need it printed. I would like to throw that out. I have asked Mr. Redway if he would take some responsibility in this regard in terms of the federal government and I would be interested in hearing his comments.

MR. ALAN REDWAY (Canada): That is good. Mr. Chairman, that is wonderful of Mr. Baker to pass the ball to me and the federal government. What I would suggest, however, is that perhaps we should all do a little investigating of the ability to finance this. Perhaps we could report back to the committee on our findings. Chairman Baker, of course, will continue to function as the mouthpiece.

MR. WINSTON BAKER (Newfoundland): Spoken like a true politician. I think in previous meetings there have been discussions in terms of how to handle affairs that require money. There have been discussions about charging registration fees per delegate. There have been discussions about donations per province to handle the cost of the conferences and so on. Always these discussions have ended at the point where it has been decided that because of administration problems and so on, we are not talking huge amounts of money because of administration problems, that it is best handled the way it has been handled for the last number of years. We have never been able to get to the point where we could accumulate any amount of money.

It might be possible, for instance as a suggestion, to have it printed in one jurisdiction and then after the bill is in that each province and territory would be billed their proportionate share, or something like that. That might be possible if the federal government cannot find it in its heart to provide the whole cost of the printing and so on.

I thought that it probably would be a small added cost for the federal government because they are always so willing to do the translations and so on and they already stand for part of the cost I understand. There are possibilities and I would like to hear any comments anybody else might have with regard to cost.

MR. CHAIRMAN: Are there any other suggestions of how we might get this report printed, once the changes are made? It seems to me it is an important document. One of the problems, it seems to me for Public Accounts Committees, is how they change. We are here today and we are gone tomorrow and there are new people coming along. I think it would be useful to have an updated document as to how a committee group sees the problem as of a certain time and then keep updating it.

I think if you had to hire somebody to do the research it would probably be into huge consultant fees. We had these people, plus the federal government, Miss Nicholson involved and I think they have done a tremendous job, and their research staffs. So I hope we can carry it on.

MR. ALAN REDWAY (Canada): Mr. Chairman, as you are well aware none of us has the ability to commit our governments respectively at this stage. That is why I am suggesting that we all go back and do a little investigating and report back, either to you or Mr. Baker. It is unrealistic to expect us to come up with some bucks now, otherwise you would be moving a bill of indemnity against me at a future date.

MR. CHAIRMAN: Ladies and gentlemen, maybe we should leave it there and I will turn it back to Mr. Baker, go on to other points and I know there are several questions.

MR. WINSTON BAKER (Newfoundland): No, I am satisfied with that answer and I understand what Mr. Redway is saying. Mr. Chairman, I am simply going to pass it back to you. I would like to have any general comments that any members might want to make on anything in the document, whether it is a comment of attitude or whether it is a question to the committee, or what, it does not really matter. So I would simply pass it back to you to handle that aspect.

MR. CHAIRMAN: Mr. Chairman. I am chairman. Ladies and gentlemen, I keep forgetting, I am used to being in committee or in the House and talking to Mr. Speaker or Mr. Chairman, or whatever the case may be.

Ladies and gentlemen, we have approximately one hour, maybe a little more, and I think it is important that we now take an overview. I think we should deal with any specific questions first and then we would go from there.

I think it was Mr. McLachlan's hand up first and then Mr. Pashak. So we will start with Mr. McLachlan.

MR. JAMES MCLACHLAN (Yukon): I have a question back on Section I, Page 4, perhaps it is directed mostly to Mr. Redway in his position as Vice-Chairman. I wanted to know if any of the members had comments upon what is referred to in Section IV as turning the budget, if you wish, back for reduced estimates in the case where the government has clearly budgeted too much money for the project and then realizes they have a screw-up on their hands, and it being considered then as a non-confidence vote against the government.

Certainly we have seen cases in our situation where the amount of money has been too high and require revision by as much as 50 per cent. But, Mr. Redway, is this workable? Have you seen cases of this in the federal government where you believe it could be done? I think it is a very practical solution if it can be made to work. Does anybody else have any experience with this recommendation? Page 4 of Section I, the first paragraph.

MR. CHAIRMAN: I believe, ladies and gentlemen, it is actually Section II. Section I is non-editing. It is actually Section II, Page 4.

MR. ALAN REDWAY (Canada): Just commenting on that, Mr. Chairman, as you know our Public Accounts Committee in Ottawa did make a report on this aspect suggesting that there should be such a thing as an estimates committee and that the whole question of confidence should be modified with respect to this issue. I was delighted to see that the Ontario committee came up with a similar suggestion and actually in much greater detail in many aspects of the matter.

At the moment, we in Ottawa have authorized a study on this and we put together terms of reference and a program. We are starting off with specialists from the Library of Parliament, we hope to tie in other people with this as well. I had some great interest expressed to me by the Canadian Chamber of Commerce in this whole concept. They have people who want to cooperate in this study to hopefully put together something which will provide a basis on which we can convince government that they should adopt this sort of a process.

What we saw and what got us moving on it really, was our experience in looking at some of the other jurisdictions in Europe, in particular in the Netherlands and West Germany, where each of those Parliaments have a committee of this sort, a budget committee or an estimates committee, which is made up of people who have expertise in particular areas of government, plus members of their Public Accounts Committee, and they do have the right to reduce estimates, and they do it.

Now the parliamentary systems in both the Netherlands and West Germany are somewhat different, as you may appreciate, from our own, in that the ministers are not necessarily elected people. So there is a somewhat different process there.

However, the whole concept, it seems to me and it seems to us, is the same in that the concept of confidence is the same procedure, but there is no reason why, in my view at least, one cannot vote to reduce the estimates at 11:00 a.m. and at 11:15 a.m. have a general motion of confidence in the government, notwithstanding whatever you did on the estimates.

My view is that it is possible to get around this as long as everyone can be convinced of the merit, hopefully we can do so with the national government, I hope that we can do this right across the country, personally. It does work in Western Europe with a slightly different system, but it does work. I see no reason why it cannot work here, but I do not have any specific examples of where it has worked in Canada, perhaps there are some other jurisdictions that have tried this.

The best way, in my view, of controlling government expenditures is before the fact, not after the fact, and the only way to do that is through an estimates process that works. My experience in Ottawa is the process does not work at all. It is just ludicrous and we have to come up with something better if we are going to have true control of public expenditures.

MR. ED PHILIP (Ontario): A more modest variation of this would be to allow for a redistribution of monies within a ministries' estimate, or even more modest within a particular vote of a ministry. In other words that the committee might change the priorities within a vote as to how that money might be spent. So that is another variation that might be considered.

MR. ALAN REDWAY (Canada): If I could just comment on that, Mr. Chairman. While I understand what Ed of Ontario is thinking about there, it seems to me that that may be a more difficult hurdle philosophically on the issue of confidence to redistribute funds then to actually reduce them, because you are actually then changing spending priorities within a department, or within a vote and that does go perhaps more to the heart of the issue of confidence than the whole question of reducing estimates for the purpose of being careful and not wasting public funds generally.

MR. ED PHILIP (Ontario): I guess my reply to that would be that there are parliamentary precedents that show that parliamentarians can agree to change what is considered confidence, or what will not be confidence. More recently in Ontario the NDP/Liberal accord spelled out certain items as not being confidence and that is the most recent Ontario experience, but other Parliaments, I think, have gone a lot further than that in doing things like that.

MR. ALAN REDWAY (Canada): I certainly do not quarrel with the concept of modifying . . .

MR. ED PHILIP (Ontario): It did not hurt a person electorally, but it certainly did wonders for the Liberals.

MR. ALAN REDWAY (Canada): I certainly do not quarrel with the concept of modifying the concept of confidence. In fact that is at the root of our recommendations

and I think that has to be done if we are going to be able to have an effective estimates process. There may be some question as to exactly how the rule of confidence is modified.

MR. CHAIRMAN: Mr. McLachlan, is that sufficient discussion on that particular point? I would like to go on then. Does the committee have any questions? I would like to go on then to Mr. Pashak who had a question or comment.

MR. BARRY PASHAK (Alberta): I too would like to deal with that section, which is Section II, No. 4, of the report. On Page 9 it lists certain items that the Public Accounts Committees should address themselves to. I would like to just suggest a further one, which would be to consider the report of the Auditor General and to support a compliance with recommendations contained in those reports, where appropriate or whatever, you could modify it. I am just suggesting a further function of the PACs that I think is probably a function that is performed by all PACs but I think it should be listed in their report and if you are re-drafting it I would like you to consider that.

The PACs should address itself to a consideration of the Auditor General's Report and I suppose to provide support for the recommendations that are contained therein.

MR. ALAN REDWAY (Canada): I hope you will add some words, as you indicated, where appropriate, because I personally would not like to see the committee . . .

MR. BARRY PASHAK (Alberta): Where appropriate, yes, after due consideration, or whatever.

MR. ALAN REDWAY (Canada): I personally would not like to see us adopt a procedure whereby the committee was merely considered a rubber stamp.

MR. BARRY PASHAK (Alberta): No, I did not mean that at all.

MR. CHAIRMAN: Ladies and gentlemen, just so we are all on the same wave length, it is Section II, No. 4, of the report. I believe that is where you are. Mr. Pashak, is that the part?

MR. BARRY PASHAK (Alberta): Page 9.

MR. CHAIRMAN: Page 9 of that section, thank you.

Ms. Marzari.

MS. DARLENE MARZARI (British Columbia): It may be that this section should be rewritten somewhat, because by pointing out those three functions, those three functions are very limited functions and they refer to the past tense. In the remainder of the report we are talking about an increased mandate for Auditors General with comprehensive auditing, with an increased mandate for our Public Accounts Committees.

So to highlight these three particular items in the past tense without highlighting also the potential of Public Accounts Committees to look at current and future expenditures without highlighting the Public Accounts Committees' ability to look at comprehensive and project audits and the concomitant ability of the Auditor General to

also look at projects and future expenditures, I think we are restricting ourselves here a little bit. So I think there is a question of wording here, that we might want to adjust it somewhat.

MR. WINSTON BAKER (Newfoundland): If I could, that section was meant to have dealt with the expanding role, I think, that he is talking about. Back at the beginning of the section, Section II, the Role of the Public Accounts Committee, starts off with The Accountability Cycle, the Examination of the Budget, Review of the Estimates and then Review of the Public Accounts. In there, Section II, No. 1, Page 2, it says, "The Public Accounts are prepared . . ." and so on, "The Public Accounts Committee reviews matters reported on by the auditor as well as other matters in the Public Accounts and reports on these matters to the Legislature, . . .".

If you want to restate it in a different way in that section there is no problem with it, but that is specifically mentioned in there a number of times about the Auditor General's Report and dealing with the Auditor General's Report. That, of course, also means with regard to the Auditor General's Report in each jurisdiction that would get you into different things because in some jursidictions the Auditor General has the ability to get into the efficiency effectiveness and in other jursidictions it doesn't. So it wouldn't only limit, I believe, in your original comment, you talked about compliance and so on, it would not limit it to compliance simply by saying that the Public Accounts Committee investigates the concerns of the Auditor General. So you are getting into a lot more than compliance there with legislation. You are getting into, in some jurisdictions, effectiveness, efficiency, economy, best use of money, even by saying that much.

MR. CHAIRMAN: Hopefully, that deals with that part.

Mr. Moore, another comment.

MR. RON MOORE (Alberta): Just a general comment to the committee, Mr. Chairman. The committee has done an excellent job, as we all know, in the report in outlining the deficiencies, if there is, or the weaknesses in the whole process of accountability right from the estimate process, with the Auditor General and the Public Accounts Committee process likewise and proceeded to cover those bases very effectively in the report, how it should be corrected or improved. We note that to do this, if any committee was to accept it in part or in whole it would amount to a lot more resource people that will have to be hired, they note that in there and the cost that goes with it, there is always that.

However, I would like to know, Mr. Chairman, if the committee considered or I would like to hear their comments. All these inadequacies, if we will call them that, did they consider recommending that the Auditor General's role and function be expanded to cover that and do the leg work? There is a lot of leg work and a lot of research and that division is as non-partisan as you can get to do the in-depth study and bring the reports out to a far greater degree than they do now and give the Public Accounts Committees a wider base of information to work on and to come up with their reports. Let the Auditor General's area take over the majority of the in-depth, calling all these things in, witnesses and documents and doing that examination. They have a big staff there now, they have expanded and they have the expertise and they are non-partisan. They would do an excellent job to provide the base to the Public Accounts and make them far more effective.

MS. DARLENE MARZARI (British Columbia): I think the point you are trying to make there is that the Auditors General in our various jurisdictions, because they already have the budget and their piece of legislation, that they should be doing a lot of what Public Accounts Committees are presently doing or are trying to do. Is that the point?

MR. RON MOORE (Alberta): What I am saying is that for the Public Accounts Committee to do all the things that are recommended here and expand into a lot of these areas to take up the inadequacies in the whole process, whether that wouldn't be a better place to be in the Auditor General and expand his area so that he can do the in-depth study and come up with reports and recommendations to the Public Accounts Committees, to give us real sound, non-partisan material to work with. It would be far more effective to let them do a lot of the initial rather than us go into it and provide research and so on and call all these witnesses in and set up a permanent staff, and it goes on and on.

We have that division and I can assure you, in all our jurisdictions, the Auditor General will get more funds a lot quicker than the Public Accounts Committee will get funds to expand in here.

MS. DARLENE MARZARI (British Columbia): Just as a fast response to that I think that what this document is trying to do, along with previous documents, is to complete a link and complete an accountability cycle from the House, through the Auditor General, back to the Public Accounts Committee, back to the House. Each link in that chain has to be kept strong and has to be kept modern and 20th Century as best we can.

I agree with you, the Auditor General, because of the Auditor General's connections to modern management practice, we hope, might be more advanced perhaps than the legislative processes that we are stuck with. It is important, I think, and I think this committee wouldn't have done this if we didn't agree, that the Public Accounts legislative process, us guys, have to be equally strong and have to be equally credible to complete that link and complete that accountability cycle. So I think it is a question of maintaining checks and balances between the Auditor General, at arm's length, the legislative committee, which is supposedly a bi-partisan committee and then the House itself.

MR. CHAIRMAN: Other questions and comments? This is the time, we have some time, if there are suggestions we want to make on improving these guidelines or different things that are troubling us, now is the time to do it. Anybody else who has anything they want to bring up, please bring it forward.

Mr. Redway.

MR. ALAN REDWAY (Canada): I think it is Section II, No. 6, Page 20, the issue of Ministerial Responsibility and Public Service Accountability. There is an issue that is raised there which really goes to the heart of the matter, the question of who is accountable to who. You may know, and I am sure you are aware, that there is a debate that seems to me is raging at the moment and the former Clerk of Privy Council of Canada, Mr. Osbaldeston, has a theory which he expounds at great length that no senior civil servant is responsible to anybody except his minister or the Prime Minister and certainly is not responsible to Parliament or a committee of Parliament. The

philosophy set out in this report quite clearly makes the assumption that senior civil servants are responsible to the Public Accounts Committee and to Parliament as opposed to be being responsible only to the deputy minister.

I am wondering if there is any intention to try to beef up the rationale for that theory so that when we run head on into a deputy minister who says, nice to be with you ladies and gentlemen but I am not responsible to you in any way, shape or form, we would have something more than just our own view of the theory to come back with him at?

Has that been considered by the committee or do you just make the assumption that we are right and Mr. Osbaldeston and those who agree with him are wrong?

MR. WINSTON BAKER (Newfoundland): Thank you. The section was done on the assumption that as government has become more complex that, the minister who theoretically, I suppose, is the person who is responsible for what happens in his department and that is where the buck stops, can no longer can keep an eye everything that happens in the department. As a result, there are certain ultimate responsibilities that rest at various levels in the Civil Service. There are a lot of assumptions made in the Civil Service that certain things are being done as they should be done that maybe cannot be checked upon or are not being checked upon.

The assumption is also being made that the existence of the Public Accounts Committee is such that it is a cooperative existence. In other words, that the role of the Public Accounts Committee to complete the accountability cycle is a role that is accepted by government as well as by the Legislature as a whole.

Now if you start with that assumption, that the Public Accounts Committee holds that position in the cycle of accountability and that that is a position that has been given to the Public Accounts Committee by the process, that that is a position that the Public Accounts Committee has that is recognized all throughout the cycle, then the assumption is made, and maybe incorrectly, that we can then go and try to track down that accountability and to get at the level where the accountability really lies. It is easy for us, as politicians, to say that the minister is responsible and we will just have the minister there and nail him to the wall about something that he knows nothing about and can't possibly know anything about.

So the assumption is there that because we are the final step in the accountability we have the right to go to where that accountability does in fact lie and not where it might be easy for us to say it should lie. Maybe it is an assumption that doesn't hold water, I don't know.

MR. ALAN REDWAY (Canada): Just to comment on that, I agree wholeheartedly with the assumption but I suspect there are many public servants, civil servants who do not. We may run head on into that regardless of what sort of assumptions we like to make ourselves at some future date.

Another point if I may, Mr. Chairman. I didn't see anything in the report which dealt with the question of periodic reporting by provincial auditors or Auditors General. I am not sure whether that was an oversight, whether you considered it and thought it shouldn't be part of the report or whatever, but the whole question of whether the auditor reports to the Legislature or Parliament annually or more frequently as the

reports become available. It is a point that our committee in Ottawa has tried to make and we have tried to get the government on a number of occasions to change the legislation to allow for the Auditor General to report to Parliament as soon as his actual report becomes available rather than waiting for an annual report. We haven't been able to make that or convince the government of that point as yet. I wondered whether you would consider including that sort of item in your report here?

MR. ED PHILIP (Ontario): I think it is a point well taken. It is implicit but perhaps it should be spelled out. The report deals with the principle that committees can request the auditor to undertake certain investigations. If we follow that then obviously the auditor has to report back on that specific investigation in which case you have a special report.

In Ontario we have special reports on a number of occasions that are tabled whenever appropriate with the committee and with the House, but maybe it should be spelled out. It is implied in a variety of sections here and I think we probably should spell that out.

If you would like to help the subcommittee by suggesting a specific area and even the wording, Alan, I am sure that we would greatly appreciate it.

MR. ALAN REDWAY (Canada): You made the point about special reports, and I am not sure whether that is the other issue of the committee requesting special reports, that is not really what I had in mind, because you have a section on that in here. It is the whole question, as the Auditor General or the auditor for each province prepares his or her report and it becomes available, that it be filed.

I must say we have had some informal discussions with the president of the Treasury Board recently on this subject and there seems to be an inclination, federally, to perhaps allow more frequent reporting by the Auditor General, but perhaps on a quarterly basis or at certain specific times where the government then knows that it is going to get hit between the eyeballs with a report as opposed to here, there and everywhere on an ad hoc basis.

MR. WINSTON BAKER (Newfoundland): Yes, I am jotting down the comments that people are making. As a result, there are going to be some changes brought in and maybe this is something that the committee will talk about in a few minutes and decide. The assumption is made by the way that reports to the Auditor General as soon as they are presented are automatically referred to the Public Accounts Committee. We didn't deal with the issue as to whether the Auditor General should report more frequently but that is something maybe we could deal with.

MR. ALAN REDWAY (Canada): Well, I suggest that it should be because certainly, federally, as soon as the Auditor General completes his work, it doesn't get presented to the House and the committee, it waits for an annual report. That may not be the case provincially.

MR. WINSTON BAKER (Newfoundland): Yes, this is a recommendation we could make to government but it really has nothing to do with the way the Public Accounts Committee handles it once it gets it. Still it is a recommendation, I suppose, we could make.

I would like to point out, with regard to your previous question, there is an attitude survey mentioned in here in Section II, Page 23, done in the late 1970's, indicating, " . . . that only 10% of senior civil servants in federal . . . agencies felt accountable to Parliament.".

MR. ALAN REDWAY (Canada): Exactly. That is right. There are all sorts of them.

MR. WINSTON BAKER (Newfoundland): So maybe we have a selling job to do here.

MR. CHAIRMAN: We are back in business, I would like to ask Mr. Hovdebo to repeat his comments, maybe in summary form so that it will be recorded and everybody will hear them. Then we will go to M. Dufour.

MR. STAN HOVDEBO (Canada): Mr. Chairman, I wanted to make some comments on the process because I do not feel that we have here made the kind of recommendations to the committee that will allow them to come up with something which is effectively a model, I suppose, of what a good committee would be, because I think we all have a variety of other suggestions that we have been unable to put forward today or yesterday. So what I was suggesting was that maybe it would be possible to send out or have this submitted to each of the committees and if they wished, that they would then return suggestions or go over it and return suggestions which then can be incorporated. I know there is a possibility of a lot of contradictory suggestions coming into it but they could still come up with a document, I guess.

I feel that there are a number of things that need to be specified. For instance, what is the most desirable climate in which the Public Accounts Committee can work? A statement on that. What about the authority needed? Every committee has some position on a continuum from, I suppose, the absolute minimum to the absolute maximum. Maybe that is what this report should do, say that you can't operate with less than this but this is what maybe would be the best situation. The same thing with who the committee can investigate. If I understand it correctly, some of the committees are very limited in what they can look into and others are very broad. Again, you have a continuum from that very limited to a situation where they can look into almost anything, the membership, from ministers on to absolutely almost non-partisan. Again, it could be the climate.

I wonder if it would be possible, in the process, to establish a process which would make good use of this so that it could be adopted either at the next meeting or very shortly?

MR. WINSTON BAKER (Newfoundland): My immediate reaction, Mr. Hovdebo, is first of all, at the beginning, our intention was to at the end of this meeting have a document, a loose-leaf type document that would be distributed. It was never intended to be perfect or cover everything. It was intended to be loose-leaf and even the page numbering is such that it indicates that this is not meant to be a substantive document as such. It was intended to be such that changes could very easily be made and perhaps next year in Edmonton we could allocate one session to any changes that may be suggested by any amendments or additions, deletions that might be suggested by jurisdictions to change the original document.

This was simply meant to be something that we have on paper as a Canadian Association of Public Accounts Committees. We have never had anything on paper before that can be used as either a guideline or information that can be given to new members of Public Accounts Committees or whatever. It was intended to be a document that you could give to a new member and say, look, here is perhaps what we can aim for in Public Accounts Committees but in our jurisdictions we have these limitations. It was not meant to describe what is happening province by province, what limitations exist in Newfoundland or Alberta. We all have our limitations that don't fulfil what is in this document right now. It was simply meant to be a document to be used in terms of education of new members as to maybe what Public Accounts Committees should do, the kind of role they should fulfil.

If we get down to some of your specific concerns, like what change did you want in terms of ministers being on committees, for instance, and so on? I am not quite sure I understand what you are saying in other words.

MR. STAN HOVDEBO (Canada): In that particular item, for instance, I think there is a continuum there of committees that have ministers on that felt that because the ministers are on they remain very partisan to situations where the attitude maybe of the committee is that it should remain non-partisan. That is a continuum which should be recognized in the process of developing committees across the country as possibly the best situation in each case, in each of those items.

MR. WINSTON BAKER (Newfoundland): I think we have dealt with that here. It is dealt with here. The recommendation simply is that the minister should not be on committees. What you want is an elaboration, the fact that committees do exist with ministers on them and so on? Is that what you are asking for?

MR. STAN HOVDEBO (Canada): Well, maybe that wasn't a particularly good example. A better one would be, what can the committee investigate? You have a real continuum there from very limited to everything.

MR. WINSTON BAKER (Newfoundland): Yes, in this document we have outlined what we feel down the road a committee should aim for in terms of being able to investigate. This is really what we have here. In some jurisdictions just about all of it is being investigated now. In no jurisdiction is everything there that we have suggested being investigated, but we are saying this is what we should aim towards. Now, what kind of change would be made to that to reflect what you are talking about?

MR. STAN HOVDEBO (Canada): What kind of a document are you going to put in the hands of the committee? Are we going to outline the possibilities, the maximum situation?

MR. WINSTON BAKER (Newfoundland): Yes, it might be possible, for instance, to come up with another document which outlines, and this is sort of a summary of the situation now, but there could be another document which outlines exactly what is happening in Canada right now and makes it clear to everybody what stage each Public Accounts Committee is at. That might be useful, certainly, for members of Public Accounts Committees all across Canada. I would suggest that that would be a different document.

MS. DARLENE MARZARI (British Columbia): Just to be provocative, let me put something forward. It would seem to me that if we all accept this document as an aspirational level to which we should be striving and recognize our place on the continuum isn't quite there but we are pushing towards it, wouldn't it be useful then to take this document and turn into an active process rather than Public Accounts Committees simply reading this and putting it on a shelf? Wouldn't it be useful, wouldn't it be helpful if in the next year we didn't send the Chairman of the Canadian Council here and Winston and Ed, perhaps, across the country to do a little tour to visit with every Public Accounts Committee and to sort of level out the playing field to say, this is what we have come up with, this is a reasonable aspirational level for what you could look like? Wouldn't it be useful if the federal Public Accounts Committee went along, too, to sort of lay on hands and say, this is the kind of thing that we have aspired to in Ottawa? Wouldn't that be nice? Wouldn't that, then, turn this document into something that doesn't gather dust but becomes a useful educational tool?

MR. CHAIRMAN: Ladies and gentlemen, we have other people who want to comment.

Le député pour Jonquière.

M. FRANCIS DUFOUR (Québec): Si on regard à les directives, d'abord, je peux dire que c'est un rapport très excellent. Je pense que c'est un bon document basé de travail pour l'ensemble qui c'est présenter. Mr. Baker a parlé de publication, mais il n'y a pas parler de coût. Dans qu'a ce moment là, ça aura été difficile que quelqu'un s'engage a vouloir le payer son c'est même pas de quoi on parle et duquel est le coût de cette publication.

Et peut-être un endroit où sa me frappe beaucoup c'est le caractère partisan des membres des comités de comptes publics. Où on en parle, je pense que ce n'est pas réaliste à mes yeux de parler des caractères non-partisan, parce que ceux qui pourrait être partisan pour moi, ils pourraient être non-partisan pour vous. Je parle avec de ce côté là, il ne faut pas causer des problèmes où ils n'y en a pas.

Je pense que les comités de compte public a un travail à faire. Son travail c'est de bien surveiller ses dépenses qui sont fait et ces pour les bon objects pour lequel vous avez été voter. Il peut pas exercer le pouvoir. C'est vraiment une comité de contrôle, et, à ce moment là, je pense qu'il faut laisser au publique comme à la press par l'écrit leur jugement, savoir à ce que quelqu'un est trop partisan ou pas. Je pense que, comme il y a des partis partisans sa veut dire prendre pour quelque chose, et je pense que de ce côté là, si on n'est pas partisan par avoir des préjugés, et je ne crois pas a la neutralité. Ca n'existe pas, c'est tout partisan politique. Donc tout qui fera référence à la partisanrie, où non-partisan, pour moi ce n'est pas réaliste au trop et je crois que ce sont des mots seulement qu'on a voulu mettre. Et sur l'actual de le commentaire, peut-être négatif, mais à mes yeux ça grotte pas la valeur de ce rapport qu'on a devant nous.

Et peut-être un point à la section III, où je va référé par une question, où vous parlez de, à la Page 8 du document français, vous parlez de transformer les postes de président et de vice-président ou d'autres membres en des postes à plein temps. C'est une solution avec nous, les membres désignés, d'avoir à savoir nomination et une rémunération raisonnable. Je pense encore là qu'il n'y a pas seulement que le comité

des comptes publics qui fonctionne dans les législateurs. Il y a d'autre commission parlementaire ou il pourra vouloir les même traitement.

A qu'est-ce qu'on veut dire exactement par transformer ces postes là à plein temps, le président et le vice-président ou même d'autre membres, parce que le député et son travail, c'est d'abord et avant tout d'être député? Comment il pourra exercer une fonction à plein temps? Ce n'est pas un ministère, ce n'est pas un travail, peut-être qu'il est honoré au point de vue de taxe à devoir demander. Mais à mes yeux, ce n'est pas le seul travail important dans une législateur, et c'est quoi l'idée du comité qui veut transformer ces postes là à plein temps pour le président et le vice-président? Voilà, je vous remerci.

MR. WINSTON BAKER (Newfoundland): Thank you. First of all, the costs, it is a very simple question to answer. I don't have an exact figure but I estimate around $3,000, in that range would be the cost of printing and getting the thing together. So it is not a large cost.

Secondly, in terms of the word non-partisan, maybe what we are saying here simply is this, that as long as the members of the Public Accounts Committee have the objective and are working towards the same end, which is the examination of the public accounts, if that is the objective, then things will go okay. I agree with you wholeheartedly that it is difficult to define non-partisan, and what may be non-partisan for me may not be for you and so on, and we are all partisan. So, absolutely, but I think what we are talking about is in terms of the objective. That is all and the way each of us deals with that objective is in our own conscience.

In terms of the third point you raised, it is a very difficult one for me to answer. If the Public Accounts Committee is, as we envision it here, to operate fully as we expect then it is a big job. It involves a lot of extra work and it involves, perhaps, sacrificing a fair amount of the other work, the constituency work and so on that a member might otherwise do. So it does involve a fair amount of extra sacrifice. All we are suggesting is that this be paid for in some real terms. It doesn't have to be there, I mean it is very difficult to defend and very difficult to explain except to say that if the job is to be done as we envision here, it is a very big job requiring a lot of time all year round. We felt that they should be remunerated.

MR. CHAIRMAN: Possibly we could leave that and move on.

M. Dufour.

M. FRANCIS DUFOUR (Québec): Peut-être concernait les coûts de publication, on parlait de $3,000. Il y a beaucoup de membres de différentes assemblés qui font partie du comité des comptes publics. $3,000, le coût pour être partit par la vente du volume. Je pense ça pourra une autre solution, pour tout courir après des subventions et pots éthiques. Peut-être que le comité pourra prendre responsabilité. Je veut vous assurer que je suis récent gager le gouvernement du Québec, comme membre de position, c'est encore loin de l'engagé, même semble, que le gouvernement du Québec, pourra acheté, pour le membre, pour une partie de ces volumes là, on paye des volumes à $35.00 et $50.00, des volumes beaucoup moins consistants que ceux là, et sa pourra être une partie de la solution.

MR. CHAIRMAN: The next scheduled speaker is Mr. Runciman but if Mr. Lemieux has a specific point maybe we will deal with that and go to Mr. Runciman next.

M. Lemieux.

M. JEAN-GUY LEMIEUX (Québec): Alors, c'est simplement pour vous dire q'effectivement nous disposons, comme je l'ai mentionné plus tôt, d'un budjet de $25,000. Effectivement, chez nous, une approbation du comité du directeur pour avoir à versé un montant x pour pouvoir permette à chaqu'un des membres de la commission de disposer du rapport, m'apparait, sans avoir consulter au comité directeur, il me semble des membres de la commmission m'apparait acceptable. Je pense que effectivement on n'aura pas des problèmes, ni vous, la commission du budjet d'administration à faire accepter un certain montant a condition, évidemment, que chaqu'un des membres puissent obtenir une copie du rapport. Merci.

MR. CHAIRMAN: Merci, beaucoup. I would like to call on Mr. Runciman, please.

MR. BOB RUNCIMAN (Ontario): Thanks, Mr. Chairman. I want to endorse the remarks of the député pour la circonscription Jonquière in respect to the idea of a chairman being a full time position. I guess I would have trouble endorsing that concept embodied in the report.

I just wanted to bring out one other point in respect to the role of the committee and the comments in reference to Crown agencies. This may be a situation unique to Ontario, I am not sure. We have a committee in Ontario, a Standing Committee for Government Agencies, Boards and Commissions. We are having some overlap there now. It may be a problem of communication, I am not sure. That committee is responsible for taking a close look at the agencies, boards and commissions on a regular basis. The researcher for Ontario just advises me now that we have a conflict in Ontario where agencies, boards and commissions, ABCs, is looking at the St. Lawrence Parks Commission this fall and Public Accounts Committee has also got it scheduled.

I serve on both committees, so one of the things that we are doing in the Agencies Committee, we have just taken a close look at the Ontario Securities Commission and we have asked the auditor to go in and do an efficiency audit on the Securities Commission. Now, we are not quite sure in terms of the final report whether he is going to be reporting back to us or to the Public Accounts Committee but it seems sensible that he would report back to the Agencies Committee as we requested his office to go in there and take a look at the operations of the commission.

While dealing with a number of these commissions, we had members of the staff of the auditor's office present during the agencies' hearings. When they are not present they monitor the Hansard reports of the committee. So they see a very close connection as well with the operation of the Government Agencies Committee.

When we are talking about wise expenditure of tax dollars, it seems to me, at least in Ontario, that there may be the possibility of unwise use of taxpayers' dollars in terms of duplication of effort. I don't know if it is simply a problem of communication, because we have this standing committee with the mandate to go in and, on an ongoing basis, monitor the operations of agencies, boards and commissions, ABCs. So I am just wondering if we have a comparable situation in other jurisdictions and if that is the case, if there shouldn't be some reference to that in this report. There has to

be some accommodation of the situation and I think it should be, at least, recognized in the body of the report. Thank you.

MR. CHAIRMAN: Any comments from the committee? Then we will move on. Mrs. Firth is next on the list.

MRS. BEA FIRTH (Yukon): Thank you, Mr. Chairman. Because of the time, I would like to ask the committee or you, Mr. Chairman, what the procedure is for this afternoon when we meet with the auditors? Are we going to have a spokesperson to discuss this document with them or are we soliciting their input? Are we going to present some kind of united stand with the auditors? I am just concerned about what exactly is going to happen this afternoon.

MR. CHAIRMAN: Possibly our committee members might want to comment, but in a general way, there are three designated spokespersons for the auditors and they are Mr. Chatelain, Mr. Dye and Mr. Archer. We have three very competent panel members. I think what we will probably do is have them make their presentation and it may be that our panel might want to respond on two or three specific points we wanted to discuss, like transfer payments, relation between committee and the auditors and the follow-up by Public Accounts Committees. Then see how it goes from there.

Maybe more specifically, how do you want us to behave, Mr. Baker, in terms of the general group that is here? What type of support or otherwise would you like?

MRS. BEA FIRTH (Yukon): Mr. Chairman, if I just may add, you know this is a very highly skilled group of gentlemen we are going to be meeting with and I think we should give them a good run for their money.

MR. WINSTON BAKER (Newfoundland): Yes. Maybe I am wrong, I don't look upon it as an antagonistic kind of encounter. (Laughter) It may very well be. The only thing is that we are attempting to say how we feel Public Accounts Committees should operate ideally. The auditors, of course, have to bear in mind that the Public Accounts Committees existed before the Auditors General and that the Auditors General were put into existence as servants of the Public Accounts Committees. As long as they realize that, I don't think we will have any problem.

MR. CHAIRMAN: I think that is a general comment. Maybe Ms. Marzari has a particular comment.

MS. DARLENE MARZARI (British Columbia): Last year's meeting with the auditors was very constructive, I thought. I am sure that I don't see any polarization here at all that the auditors are going to be approaching us, I would guess, with some of their problems or some of their questions about this document. I think that rather than just having us three responding that we should all be fully involved with any discussion that we have. I don't think that the three of us should be the funnel, the whole room should be involved in discussion. I think this document lays the foundations for that discussion. So I don't think we are in a competitive situation here.

In fact, what interests me is that the Public Accounts Committees can benefit from what the auditors have to say since it seems to me that the auditors right now are at a better cutting edge than we are in terms of their facilitating legislation. We

might want to know how we could develop and rewrite our own legislation to bring us in line with some of the more innovative things that the auditors are doing.

MR. CHAIRMAN: Thank you, Ms. Marzari. Are there other comments or suggestions? We are drawing close to the time. We might want to have a relaxing lunch and then be back for 2:00 p.m. Are there any specifics, any ideas anybody wants to bring forward before I make a couple of announcements and we adjourn? Anything else?

I don't see anybody who wants the floor. Mr. Baker, do you have anything for now or can I make a few announcements and we will adjourn?

Mr. Baker suggests we aim to wind up shortly. I think we will come back and maybe we will ask the Auditor Generals to lead off and with the panel and with the cooperation of everybody we will respond and try to benefit and see what we can come up with.

Just a couple of quick announcements. One thing, I want to remind the clerks and researchers that they have a meeting scheduled for 3:30 p.m. this afternoon. It is in the Dennis Building and it is Room 1, third floor. It across the street, just down the block, it is very close.

I also want to ask for your assistance this afternoon. We are going to continue here and we all realize that we are in relatively limited quarters but we felt that we should complete our meetings here in the Chamber. So what I would like to specifically ask is, and I realize there is a bit of crowding here, is if each delegation, at each place that you could leave one seat for the auditor in the front row. Maybe one of the delegates could just maybe move back a spot. I know the Nova Scotia seat will be vacant until about 4:00 p.m. until after the clerks leave because Mr. Archibald was called away. I am sure if we worked on it we will be all right.

We are going to have some additional chairs in the back of the Chamber and we also have the gallery of the distinguished Speaker and hopefully you will be able to hear just as well up there. So maybe if some people, if it is really crowded, could go upstairs, because we don't want to exclude anybody. We want all of you to feel free to come and, especially, if you want to contribute, stay on the floor so you are close to a microphone.

With that, let's all aim to come back at 2:00 p.m. Lunch is at 12:15 a.m.

Unless there are any questions, I move that we adjourn.

[11:50 a.m.]

[2:07 p.m.]

THIRD SESSION

Joint Session

With Conference of Legislative Auditors

MR. WILLIAM GILLIS (Chairman): Ladies and gentlemen we will get the afternoon session underway. I start on behalf of the Co-Chair, Mr. Cormier and myself to welcome you all here. We are targeting to finish this afternoon at 4:15 p.m., plus or minus. We are planning to go now until about 3:00 p.m., or possibly 3:10 p.m.

There are just a couple of minor housekeeping items. Our translation devices, for those that want English on the device you set your clock at two, then you will get English whether it is by translation or when the person is talking. Set it on one if you want French through the course of the discussion this afternoon. That is really all. There is a lever that you push back and forth to regulate the volume.

I ask, as I have asked before in our sessions that the person identify themselves before they start, it will help when we are transcribing the proceedings of our discussions, so would you please identify yourself. I do not think it is going to be any great problem, you will probably be recognized by the chair anyway, then if you would be kind enough if you are asking questions to give your name.

What we are going to try to do is have some presentations from the Legislative Auditors, we will try to make some presentations on our behalf and then we hope we can have a round-table discussion where we can learn, and maybe you can help us try to develop some better ideas and a better approach to some type of an ideal Public Accounts Committee that will function better.

So I welcome you all here and I hope we have a worthwhile session. It is now over to Mr. Cormier.

MR. PAUL CORMIER (Co-Chairman; Aud. - Nova Scotia): Thank you, Dr. Gillis. It is a pleasure to be with you. I know auditors like to reach a point in their relationships with the Public Accounts Committee, they can get close to them, but I am in here and I don't know if I am in a safe spot or not with four of you surrounding me. Normally when we come to the House there is that great big aisle between us so I can run out the door, but there is no way I can get out of here without being tackled on the way, so I am going to have to be a little more careful what I say to you people.

I think going back to 1978, as I recall, when Pat Reid first met with our group in Edmonton, we have had a series of extremely worthwhile sessions sharing mutual concerns and on the basis of that I am sure we have come a long way in understanding what our respective roles are in doing a better job of helping, from our point of view, to serve you as Public Accounts Committee persons representing the Legislatures to whom we are ultimately responsible.

It has been a decade of very dynamic growth and we are pleased to be able to continue this sort of dialogue with you. I am sure that today's session will be as worthwhile as any we have had, particularly since it is based upon the recently

completed study which I personally, on behalf of the rest of our community, have to commend you for publishing during a period when you are before your Houses and extremely busy with legislative and constituency work. You deserve a lot of credit for providing a document from which I think we can all glean a fair amount of useful material for improving our relationships with you and the performance of our audit work on your behalf.

We have provided copies of the publication to all our Legislative Auditors and we have had three members prepare short presentations on matters that relate primarily to the interrelationship between your committee and our role as Legislative Auditors.

The three who will be making very brief presentations are: Doug Archer, the provincial auditor of Ontario; followed by Rheal Chatelain of Quebec; and Kenneth Dye, the Auditor General of Canada.

As Bill has indicated to you we will use these brief presentations to bring before you some of the matters that we find to be of significance, both from a favourable point of view and those that we might well want to discuss further.

So with that, Dr. Co-Chairman we will have Doug Archer from Ontario present the first of our three presentations and then Rheal and Ken can follow along, without any further introduction.

MR. DOUG ARCHER (Aud. - Ontario): Thank you, Paul. You may wonder about the order of the presentations. It is a subject we did extensive research into to determine just how we would proceed and we finally came down in favour of presenting our comments in alphabetical order by surname of the individual.

I would like to start off by congratulating those of you who have been engaged in the preparation of this model. You are certainly to be highly commended. You have prepared an impressive document, obviously thoroughly researched, comprehensive and well written. This model is an excellent blueprint for Public Accounts Committees and it is one that Ontario has already adopted in a great many respects.

I fully endorse the need for a close relationship between the auditor and the Public Accounts Committee. This relationship, in my opinion, could well be described as a partnership. As the proposal states, benefits should accrue to both parties, making it easier for the committee to do its job and resulting, therefore, in more attention by government to the work of the auditor.

The model also recognizes the importance of a good working relationship between the committee and the government. Auditors too have long recognized the benefit of good working relationships with government. But for both PACs and auditors, a word of caution is in order. Good working relationships should never compromise the committees' or the auditors' independence or objectivity. Cordial but not cozy is a delicate balance to maintain.

A provision I found particularly timely is one where the PAC would have the right to review legislation dealing with the Audit Act, prior to its introduction as a bill. This is an excellent suggestion, and as I said, very timely, for in Ontario we have a number of changes we would like to make in our legislation, however, we would very

much like to get the reaction of the Public Accounts Committee, preferably in camera before proceeding to the formal bill stage.

I would mention a couple of areas that the PAC may wish to reconsider. It is proposed that the auditor or his representative should attend all committee hearings. I believe attendance by the auditor should be at the request of the committee rather than being mandatory.

There may be instances, such as the extended conflict of interest hearings of the PAC in Ontario in 1986, where attendance by the auditor would serve no useful purpose. In any event the committee may benefit from some flexibility in this regard. You may just wish to hold a meeting occasionally without the auditor in your midst.

Section III of the report makes reference to a particularly important point. It reads on Page 6 that, "The Committee has to be able to provide assurance to the public that the government is receiving value for money and that public monies and assets are being managed in the proper way.".

Given their current method of operation I am doubtful the committee could make the required assessments. Currently the PAC, certainly in Ontario, concentrates almost exclusively on the negative side. That is, it deals with what government is not doing well, primarily matters reported by the auditor.

With this approach the PAC does hold the government accountable for disclosed deficiencies and thus promotes better value for money in subsequent government administration. However, the work of the committee does not really permit it to assess the overall performance of the government. To do so would require the PAC to focus more on the positive aspects of government administration and possibly to select some matters for review where there is no predilection whether they are being handled well or poorly.

I will conclude with reference to two minor points. In Sections III and IV the committee notes its responsibilities to four groups, firstly to the government, secondly to the civil servants, thirdly to the auditors and fourthly to the electorate. As the committee's prime responsibility must certainly be to the electorate it would be preferable to give that responsibility first rather than fourth billing.

In Section IV the committee seeks permanent referral of all financial statements and auditors reports of all publicly funded organizations. With the number and variety of these organizations, hospitals, universities, municipality school boards, just to name a few, the volume of documents may be overwhelming. Perhaps the committee could settle for the right of access and only referral upon specific requests. Thank you, Mr. Chairman.

MR. PAUL CORMIER (Aud. - Nova Scotia): Thank you very much, Doug. Rheal, would you like to move into the number two spot in our batting order?

M. RHEAL CHATELAIN (Aud. - Québec): Merci, M. le Président. Tout comment c'est lui qui ma précedé, nous trouvons évidement que les lignes directrices qui sont proposées pour les comités des comptes publics constitues un ensemble fort d'utile, a une bonne compréhension du travail de cette comité et de la relation qui doit existée entre eux et les vérificateurs législatifs. Ils s'agit dans un cadre pratique, un intérieur

duquel les comités peuvent contribués à l'imputabilité dans l'utilization des fonds publique confier au gouvernement. Les vérificateurs géneraux ou encore les vérificateurs provinciaux, selon le cas, sont des personnes désignés et a ce titre, ils s'agissent par voix de délégation législative. Ils font rapport de leurs travaux au parlementaire selon des modalité prévue par la loi.

Auditors General, Mr. Chairman, or provincial auditors are designated persons, I suppose that comes from the latin word, persona designatus, as if French and English are not sufficient I had to throw in a few Latin words here. As such, the auditors act by way of legislative delegation. They report to Parliament in the manner prescribed by law. After their reports are tabled in the House, the logical sequence of events calls for the auditor to appear before the Public Accounts Committee.

One point must be made clear, however, with respect to the relationship between the Auditor General and the Public Accounts Committee. When an Auditor General submits his report to Parliament he is exercising a mandate within a professional-client relationship. The client, which is the National Assembly, in the case of Quebec, or the Legislature, has a right to the necessary information and is, therefore, well justified to inquire into the results of the work assigned. Moreover it is also in the clients interest to preserve the independence of the professional to whom it has entrusted the mandate. This will guarantee the credibility of the results.

This is why, also, the relationship between parliamentarians and Auditors General must not be one of superior to subordinate or master to servant. The practice of legislative auditing must not be subject to any form of intervention which could directly affect the discharge of the mandate in question. Such intervention can take many forms and could, in extreme cases, jeopardize professional independence.

In accordance with certain Acts governing legislative auditing in Canada, for instance in Quebec, acceptance or refusal of government mandates is left to the discretion of the auditor. The auditor should also not be committed to take on mandates from the Public Accounts Committee. Such mandates, if conferred by motion of that committee, could run counter to the professional auditor's plans and jeopardize the discretion that is so necessary in the practice of legislative auditing.

One of the essential conditions in the discharge of any professional mandate is that the mandatory have free choice of the means to do so. The client should not have authority over the auditor's plans. If the client imposes specific rules or intervenes in the auditor's work by selecting the matters subject to review it will hinder the audit. The Legislative Auditor's mandate is in the nature, therefore, of a professional contract. The professional is given an objective but is not told how to reach it.

Free choice of means also entails a certain flexibility in the granting of resources useful to an audit. Quebec's legislation, for example, protects the Auditor General from any interference by the executive branch in the obtaining of resources. In some administrative matters the Bureau de l'Assemblée nationale, which is really a committee of the House which is somewhat equivalent to an Internal Economy Board, acts as an intermediary between the Legislature and the Auditor General.

The bureau must make sure that the Auditor General has the resources and enjoys the other conditions necessary to discharge the mandate entrusted to him by Parliament. The auditor's relationship with the bureau is a contributing factor towards the auditor's

independence and his allegiance to the Assembly. The National Assembly approves of the bureau effectively supporting the Auditor General in the determination of the required resources and in the approval of administrative regulations, which are specific to the auditor and really adapted to his role.

The bureau receives and reviews the Auditor General's estimates, which are subsequently included in the estimates tabled in the House. Parliamentary committees take no further action with regard to the resources required by the auditor, although the Rules of Procedure of the National Assembly do not preclude such action.

The objectives of the audit and the resources required to attain those objectives can still be discussed by parliamentary committees with the Auditor General. We believe, however, that such questions should best be raised before the estimates are tabled in the House.

In Quebec, the Committee on Budget and Administration by delegation from the Committee on the National Assembly, which is the master committee, if you like, made up of the chairmen of the different sectoral committees, is entrusted with hearing the Auditor General on his annual report. In this respect, this committee acts as a Public Accounts Committee being constituted as it is of members from both government and Opposition. The fact that this committee is chaired by a government member has never to our knowledge been openly challenged, although there are Public Accounts Committees in other jurisdictions that are chaired by Opposition members.

The advantages of this system cannot be denied and chief among them is the fact that debates tend not to be politicized. Of course, these comments are not intended as any reflection on the competence and capacity, if you wish, of our present chairman. Some of our sectoral parliamentary committees can hear senior civil servants on the discharge of their management responsibilities. In certain cases, these committees are chaired by an Opposition member, which is an indication that the merits of this system are recognized.

In the past year the Auditor General of Quebec has been called twice to appear before the Committee on Budget and Administration, each time the sitting was devoted to hearing only the Auditor General on his annual report. While this certainly represented a major step in the exercise of parliamentary control, the process will remain incomplete until those responsible for management are, in turn, called to account.

Merci beaucoup, M. le Président, je vous remercie. Je sois bien entendu que ces commentaires, ces remarques par dessus tout ont été formulés dans un esprit constructif pour favoriser l'exercise du contrôle parlementaire sur les fonds et les autre bien public. Merci.

MR. PAUL CORMIER (Aud. - Nova Scotia): Merci, Rheal. Ken.

MR. KENNETH DYE (Aud. Gen. - Canada): Thank you, Paul. You have heard a hands-on approach and you have heard of a hands-off approach and I offer another perspective that I have come to believe in my time in Ottawa. Let me also start though the way that Doug did by commending your council subcommittee for the tremendous effort that has gone into the development of these draft guidelines. I think the legislators that I have come to know are very busy people and so the time and effort

devoted to the development of these extensive guidelines is obviously an indicator of their importance to your council.

On the matter of formal assignments from the Public Accounts Committee, Rheal Chatelain has outlined his concerns with respect to the independence of the Legislative Auditor. Well, I think I agree with his comments and I share his concerns, even with the proviso that the Legislative Auditor may turn down committee requests when it interferes with his regularly scheduled work. The requirement for the auditor to respond to specific committee requests leaves his office open to both real and perceived undue influence.

Many Canadian legislators would look fondly southward perhaps with considerable envy at the relationship between the U.S. General Accounting Office and the members and committees of the U.S. Congress. What few Canadians see, though, is the reality of a clear separation in the American system of the executive from the legislative branch of government. In the absence of such a separation in the Canadian jurisdiction, the significant risk is that the Legislative Auditor could simply become another department of the government of the day. I would hope that no one in this room would like to see that happen.

It is vital that a Legislative Auditor be attuned to the interests and concerns of his Legislature and his Public Accounts Committee in particular. It is equally vital that he or she have the freedom to determine what is partisan and what is not, to assess what is significant and what is not and to decide the appropriate audit approach and the timing of that approach.

A recent example from the federal scene may serve to illustrate this point. Early last month I met in an in camera meeting with the members of the federal Public Accounts Committee to discuss the details of my audit plans for reporting in 1989. In the course of this discussion it became readily apparent that members of the federal Public Accounts Committee were extremely interested in the general topic of Public Service labour productivity.

As a result of this discussion, I decided to move forward a study on this subject originally planned for reporting in 1991 and we have moved it ahead to report in 1989. I think this is a demonstration of a concrete example of a positive and responsible relationship between an auditor and his audit committee, if you like to call it that. Based largely on trust, it works in the interests of the Public Accounts Committee, the Legislature and, ultimately, the electorate.

Your guidelines call for the review of the auditor's annual estimates by his Public Accounts Committee. Now this has been the case federally for the past two years. I wholeheartedly support that exercise. There are other models that I think deserve consideration, the British model with their council for the Public Accounts Committee and the Alberta model with their review board for their officers of Parliament. This one strikes me as an appropriate model also. It is not the most comfortable experience for an auditor to go through, especially when there are members such as Mr. Redway, on my left, in that meeting while I am there. I think that discomfort is largely offset by the high quality of the review carried out by the committee, with the best knowledge of the organization. The Public Accounts Committee does know us best, they know our operations and they know the products of our office.

Now, exacting accountability is the bread and butter work of any Public Accounts Committee. Indeed, the frequency with which the word accountability appears in the guideline document attests to that very fact. A while ago I was privileged to attend a discussion by Gordon Osbaldeston, a former Clerk of the Privy Council, on the findings of his soon to be published two year study on accountability. You may be interested to know that in his schematic of a public sector accountability, it shows no direct relationship between the department administrative head, the deputy minister, and the committees of the Legislature. In Gordon's view, the minister is the accountable individual. Your subcommittee may wish to give some thought to this very important question. I am not so sure I agree with Gordon.

I would like to close with these brief remarks with two minor observations on positions taken in your draft guidelines document. First, as a Legislative Auditor, I would feel most uncomfortable formally offering advice or opinions for consideration by the Public Accounts Committee on matters not audited and reported upon by my office. In my view, such commentary is beyond the limits of the role of the auditor and strains the credibility of the office.

Secondly, your guidelines suggest that the minister be called when a civil servant cannot provide the answer. When you find this necessary, I would suggest that you are squarely into the policy domain which runs counter to the non-partisan approach to the business taken by most Public Accounts Committees and the model that I think is most appropriate. This kind of a situation is best handled, I think, by finding other approaches to use the civil servant.

Well, I hope you will find these comments of use to kick off the discussion this afternoon and subsequently, as you set about refining your draft guidelines. Thank you, Mr. Chairman.

MR. PAUL CORMIER (Aud. - Nova Scotia): Thank you, Ken. I trust these comments emanating from our group and well presented on our behalf by Doug, Rheal and Ken will be of real assistance to you members of the Public Accounts Committees across Canada in your deliberations with respect to your report. Now, over to Bill Gillis.

MR. CHAIRMAN: Thank you, very much. We would like to now turn to members of the subcommittee that tried to develop our ideal Public Accounts Committee. We would like to start with Ms. Marzari. She will talk about the relationship between auditors and the Public Accounts Committee.

MS. DARLENE MARZARI (British Columbia): Thank you, Mr. Chairman. I think that just by going through the report as it appears before us, I have managed to tag about six or seven references to the relationship between the committee and the Auditor General. Each of them speak of the need for cooperation obviously, and as I have listened to the responses and some of the comments which the auditors have graciously put before us, I think in a very helpful way, perhaps we can address some of those items.

First of all, I will take one minute to say that the association here is struggling itself, I think, to come to grips with its own mandate, not just its relationship with the auditors, but the inadequacies that it has, that it faces structurally inside its various committees and inside its legislation to really do justice to the job, which it thinks it has.

This morning when we were discussing some of these items, I should say that it was our hope, and it was my hope as I expressed it this morning, that the various Public Accounts Committees across the country would do well to look at the auditor's own Acts and facilitating legislations, and to look at the new roles that auditors are creating for themselves in this country in terms of expanding the definition of what a comprehensive audit is, in terms of beginning to look at current and future expenditures within the context of a given audit, in terms of helping ministries' departments establish goals through the estimates process and then follow them up two or three years later perhaps by taking a look at them during the accounts process. All these things are revolutionary I think for auditors and the committees are lagging far behind in their ability legislatively and practically speaking to even begin to think about keeping up with some of the ideas which we may agree with in our guts, but trying to keep up to them with our own mandate is difficult.

So, we come to the table with this report, trying to stretch our own mandate, trying to stretch our own idea about how we can work effectively and cooperatively with the auditors as they break new ground. So, the essence of the whole pitch is that we can break new ground together and create a new partnership and strengthen the accountability cycle that goes from the Legislature through the auditor, through the Public Accounts Committee and back to the Legislature.

As we do that, then I look at these various notes in the document, most of which refer to existing mandates that we have. In Section II, Page 25, we refer to the value-for-money mandate and the necessity, we think, of looking at the mandate the auditor has and how we have to expand that.

In Section III, Page 2, we talk about the capacity or the ability of the Public Accounts Committee to scrutinize the Auditor General's own estimates and budget, and to review pieces of legislation pertaining to the Auditor General's Acts across the country. I have some of my own thoughts on this. In British Columbia, we have recently come through a session where we spent at least five hours, which does not sound like much, but when you consider we only met for 11 hours, we spent half of our time discussing the Auditor General's relationship to our committee and whether or not the Public Accounts Committee is the committee through which the Auditor General should come with his estimates and with any budgetary requirements, or with any kind of review procedures. It was an interesting debate and one which still rages on quietly.

In Section III, Page 5, we also refer to our relationship to the auditors and the necessity to work cooperatively. Then we get to one of the items that was raised by Mr. Doug Archer and, once again by Mr. Rheal Chatelain and I think by Mr. Ken Dye, the business of the Auditor General's free choice. Free choice versus request by committee and I think that was our point of contention here, if I am to pick up these signals correctly.

Now, here on Page 4 of Section IV, we have a recommendation that, "When the Committee asks the Auditor to perform a specific review the request should be passed as a motion by the whole Committee and terms of reference should be provided to the Auditor in writing.". I suppose this is a small act of revolution, is it not? I think that the subcommittee itself, and I can ask Mr. Ed Philip and Mr. Winston Baker to comment on this, we are not intending necessarily to inform the auditors that they are now to listen to all requests of committees, nor do I think that free choice was being impinged

upon, but now that I see the wording that suggestion could be implanted, I believe, with the words that were chosen.

I sense, however, my interpretation of this and I think the committee will agree, is that where the committee senses that there is something seriously important enough to be looked at that if the whole committee desires in a consensual model to look at it, that it might behoove the committee then to point it out to the auditor. I think perhaps we might look at a language change there and to perhaps suggest that in partnership, as it was put by Mr. Archer, cordial but not cosy to attempt to come up with the resources required either by the Auditor General's department or even perhaps by the research capacity of the given Public Accounts Committee to look at it.

The last area where we look at Auditors General is in Section IV, Page 13, providing parliamentary scrutiny of the Office of the Auditor General. I do not sense that there was a tremendous problem with that at all. That was a comprehensive audit of scrutiny.

What I would like to discuss, and I think we can leave this for future discussion, but I would like to just label this and leave it on the floor, because I expected that there would be more discussion of this than there has been, is on Section IV, Page 3, where the Public Accounts Committee is deliberately looking to the auditors, I think, to assist us in helping us to determine to what extent Public Accounts Committees, as the auditors expand their mandate, might start looking at past, current and committed expenditures of government, because we know that the auditors are interested in looking at project accounting, and we want to know what changes we will have to make to our mandate and legislation and perhaps you to yours in order to be compatible as we perpetuate the partnership that we have at present, so that we are not out of synch with each other and so that Legislatures are best served. So, I leave you with those few comments.

MR. CHAIRMAN: Ms. Marzari, I thank you very much for your comments. I think it was well put and I would like now to move on to Mr. Ed Philip from Ontario and ask that he would comment generally on the follow-up of Public Accounts Committee activities. That is one point that we wanted to bring up.

MR. ED PHILIP (Ontario): Thank you, Mr. Chairman. The report contains a number of suggestions concerning the need for follow-up, either by way of provincial auditors' follow-up and reporting back to the committee, or by way of governments being required to report within a certain period of time and/or reappear for questioning on the implementation of the recommendations of the committee. This is certainly a process that has been dealt with effectively in some of the oversight committees in the United States and it might be interesting to find out from the provincial auditors if they feel that that is an important area for them.

That leads nicely, of course, into whether or not Public Accounts Committees should be making direct requests of the provincial auditor to undertake certain studies. I think that this has certainly been the case in Ontario and I think that Mr. Archer would probably agree that he has not been flooded with unreasonable demands by the Ontario Public Accounts Committee.

I would like to suggest to Mr. Dye, and I guess you will forgive me if I say that I agreed with 95 per cent of what Mr. Archer said and perhaps a lesser percentage of

the other two speakers, but I would like to suggest to Ken that perhaps his analysis of the division of executive from legislative in the United States may have been more relevant 100 years ago, when society was simpler and when we did not have the huge bureaucracy and problems that we are now faced with.

Let me suggest that the division is blurred by a very large Public Service that often takes decisions which may not have been authorized or at least known by even the elected executive. In that kind of society there may have to be other checks and balances that we do not have in the traditional parliamentary model, and that simply writing it off as a division between an appointed executive and an elected executive does not solve the complexities of a society that we have now developed with a lot more functions, a lot more interrelationships and a lot more decisions being taken by people who are acting in an executive capacity and are every much appointed or non-elected, if you want, as the executive of the United States Government.

I think because of that, I think that Parliament has to have ways of dealing with that or otherwise no one is accountable and you have, in fact, a second-tier executive that is, in fact, every bit as unelected as an American style of government.

I would be interested in hearing from the auditors about the concerns that our subcommittee have and indeed that was dealt with very extensively federally and certainly provincially. We have just turned out a new report on it. Two committees of the Ontario Legislature have dealt with a new report, namely that the estimates process is, in fact, a waste of time, that about the last thing on earth that is questioned in estimates is our financial matters and that we need to develop a more systematic system of dealing with future expenditures than the present estimates process. Some of the auditors may have seen either Doug Archer's last report in which he dealt with it or the Ontario Public Accounts Committee's report which has just recently been tabled or some of the work done by our federal counterparts. It would be interesting to have some comments on that.

There are a number of things which Mr. Archer pointed out that I think are certainly oversights that we had left out of the committee and that I know that we are in agreement with and will be building in to our report, and indeed one or two of the items that were pointed out by other members of the Legislature who were here discussing the report earlier. So, I thank the auditors for being present and I hope that maybe I have been able to stimulate some debate and comment.

The last item that we are very interested in is the whole area of transfer payments. Where do you see your role? Have I just taken your report? (Interruption) I am sorry. We will be dealing with that momentarily, thank you very much.

MR. CHAIRMAN: Ladies and gentlemen, I want to applaud Mr. Philip's enthusiasm. He not only gave us some good thoughts that he had on the particular topic, but he was moving ahead to take over Newfoundland and Labrador. With that, I call on Mr. Baker from Newfoundland and Labrador on the general topic of transfer payments.

MR. WINSTON BAKER (Newfoundland): Thank you, Mr. Chairman. I would be quite happy for Ed to carry on if he wants to, I assure him.

First of all, I would like to say that things change when the auditors come in. I am sure you all noticed that our Chairman found it necessary to explain the workings

of this intercom device when the auditors came into the room. He didn't feel it necessary to explain it to the Public Accounts Committee members or researchers, so maybe that difference is pretty obvious from that comment by the Chairman. (Laughter)

On transfer payments, the whole idea of money expenditure, there is a lot of expenditure that falls between the cracks. Now, if the role of the Public Accounts Committee is to provide accountability for the expenditure of taxpayers' money, if that is the role, then there are a number of areas that I feel that the Public Accounts Committees, and maybe the auditors as well, have given up control over. At some point I believe that we should take back our powers and controls. I am talking about, for instance, some of the Crown agencies that are set up. I know that in some jurisdictions the Auditors General do not audit all of the Crown agencies. Huge sums of money go into these agencies. I know that the Public Accounts Committees, by and large, do not have the ability to hold hearings on a lot of the Crown agencies.

Very recently, we have quite routinely in Newfoundland passed over the right to spend $600 million to Newfoundland Hydro and we cannot get them before the Public Accounts Committee. We will, but we haven't yet. There are huge amounts of money that seem to slip through the cracks.

Also in terms of what are generally known as transfer payments, and I am talking in terms of payments to individuals or to groups or payments from one government to another, the first thing that comes to mind, of course, is the equalization payments as one type of transfer payment that we could consider. The problem is, who gets at these equalization payments, huge chunks of money? Where is it best to get at it? Is it best to get at it from the spending agency, the federal government, the collecting agency? Or is it best to get at it from the provincial end in terms of the spending agency? Payments to municipalities, to hospitals, to schools and so on, direct payments from provincial governments, what about those? Huge amounts of money, we pass over the responsibility of expenditures and if we are to provide accountability for the expenditure of taxpayers' money, then we have kind of given up on that amount of money.

The third area, of course, is the area of what is referred to in here in the report as tax expenditures, a tax break given a company or group. Relief of taxes that they would ordinarily have had to pay is just as direct a payment of taxpayers' money as if that had been a grant. It seems to me that that is another area where there are billions of dollars spent in this country, actually taxpayers' dollars, even though it is not collected, but the relief from the payment of taxes is an expenditure, that we tend to have given up responsibility for.

I would like to stress that particular section of the report because I feel it is important in the expanded role of not only Public Accounts Committees but Auditors General as well. I simply leave it open for any comments or discussion that might follow. Thank you, Mr. Chairman.

MR. CHAIRMAN: Ladies and gentlemen, we are a few minutes before 3:00 o'clock. What we might do is see if there are any comments or questions in regard to any of the statements by the auditors on the one hand and the committee members on the other. We will maybe go for 5 minutes to 10 minutes, take 15 minutes approximately, and then come back for another half hour or 45 minutes. With that, before we take a

break, is there anybody who would like to have a comment or ask a question? Yes, Mr. Dye.

MR. KENNETH DYE (Aud. Gen. - Canada): Thank you, Mr. Chairman. I would like to respond to two points raised, one by Mr. Philip and one by Mr. Baker, on the question of the parliamentary model and the executive being superimposed on the Legislature.

If you want us to respond in the way my American counterpart does, where about 85 per cent to 90 per cent of his agenda now is controlled by the congress, he is very responsive. He will even undertake, I believe, an individual member's request if such a member is perhaps a committee chairman, and they have a great deal of power in the United States, he will launch a study. Some of these studies can mount into tens of millions of dollars, they are expensive. If you want that, I think you are going to have to change the playing field a bit. At the moment, I do not think it is practical. For me to take on the Minister of Finance as to the merits of a budgetary deficit is just not on in the Westminster model.

I have my views, I think I could provide some pretty good auditing information for the Parliament with respect to budget. But at the moment I am required to stay outside policy and only audit the implementation of policy and I think that is what we do. So if you want us to get into more effectiveness and more responsiveness directly to a parliamentarian's perspective, I think you are going to have to change the playing field. Then, if you do that, I think we auditors can respond directly to your needs, but you have got to say you want that. Now, that doesn't say I am not willing to be cooperative with a Public Accounts Committee and if they have something that I happen to agree with them is in the public interest to pursue and the resources are available, sure, we will try to be cooperative.

Mr. Baker was commenting on transfer payments. I do not know if the parliamentarians are aware of some good work done by the provincial Auditors General in producing a book and whether you have received that. It was produced by the Canadian Comprehensive Auditing Foundation. It is a quick read and it can be quickly made available to you.

We are looking at transfer payments. In fact, today I was offering my view to my colleagues that I think we should perhaps change our perspective of the taxpayer. There is one taxpayer out there whose pocket is being fleeced by three, if not four, levels of government and each of these levels of government takes great credit for having hosed another level of government through some transfer, but it is the same person out there who is carrying the can for this and I think somebody should be reviewing the accountability. Somewhere along that process there should be accountability for that expenditure. Now, whether it is the federal Auditor General following that federal taxpayer down through the provinces and on to the local government, or perhaps it is at the local government where the majority of goods and services are acquired through public dollars, maybe one audit somewhere in that system will suffice. I think it should be done. Right now we all conveniently close our minds and put a little border around our audit regime and I do not think it is in the best interests of the taxpayers.

MR. CHAIRMAN: Are there any other questions or comments? I want to thank Mr. Dye for his comments. That is what we need, we want to get some feedback on the different points of view we have. Is there anybody else?

The Legislative Auditor for Saskatchewan. Mr. Cormier?

MR. PAUL CORMIER (Aud. - Nova Scotia): That is Mr. Lutz.

MR. WILLARD LUTZ (Aud. - Saskatchewan): I think I wish to respond to Ms. Marzari. I believe you said the auditors create a role for themselves, I think those were your words. I would have to suggest to you that the auditor who is doing his job is complying with legislation which was passed by the legislators, which legislation says do this, do this. So, I think possibly I am taking a slight bit of exception when you suggest to me that I am creating my own role. I believe I cannot. I have to stick by what I am told to do or, I think, woe betide me.

MS. DARLENE MARZARI (British Columbia): Somewhere along the line I have made the assumption that everybody in public life, whether they be public auditors or whether they be legislators, are at their core social activists and that looking for new ways within their professional capacity or within their professional mandate to do a job better, to serve a public interest better, is a part of all of our mandates. We happen to do it from seats that we sit in and you certainly do it from where you sit. I did not mean to suggest you sat down and wrote your terms of reference every year, but I would certainly suggest that the business of maintaining peace, order and good government is one in which there is hopefully consultation going on, at least on an annual basis between auditors, between Ministers of Finance, between Public Accounts Committees and Legislatures.

MR. PAUL CORMIER (Aud. - Nova Scotia): If I might comment just very briefly on two matters arising from recent comments. I think both of the two previous speakers, there is some validity to both of their comments, but I must admit that some of us, myself included, have been accused of flying in under the radar in our attempts to move things forward. Generally, the sorts of initiatives that we have attempted or the suggestions that we have made have been well received.

It was only three months ago that I was sitting where the New Brunswick representatives are and your Public Accounts Committee in Nova Scotia were on this side to my left, that we discussed at some length the question of transfer payments. Emanating from that have been amendments to the Audit Act of Nova Scotia, which to me are the most momentous since our Act was first proclaimed in 1973, and this gives us this right to pursue on an audit basis these payments that are flowing to such bodies as hospitals, universities and municipalities.

Now, we are a long way from being able to do many of the things that we think will provide the ultimate degree of satisfaction to you as members of the Legislature working with us in the Public Accounts Committee format, but there has been a high degree of support for this from government, from our own Management Board, I spoke to this topic at some length with them. So I am encouraged. These are the sorts of things that were not even being talked about five years ago, and here several of us, I think there are four of five of us, have a variety of provisions at the provincial level to do this sort of thing. It is extremely encouraging to me, as a Legislative Auditor, to

have this. I will admit that it was my predecessor who made the initial overtures in this respect and it took a few years to come.

If I might go quickly to your first point, Mr. Baker, on Crown Corporations. We have in Nova Scotia a better legislative provision than may be found in certain other provincial Audit Acts and this is that we do have a right of access to review matters that go beyond the financial statements or compliance in Crown Corporations which we do not audit. This provision has been in since 1973. In the foresight of the Public Accounts Committee in 1972-73, they felt, both sides, Opposition and government at the time, that this sort of provision was essential to provide the degree of oversight that you as legislators feel you must have.

I would not want to have you conclude from that that we have been in every Crown Corporation on a regular basis and have been able to look at all aspects of their operation, but we have done some worthwhile audit work in them and on the basis of the fact that we have that right of access I think some of them are possibly being run a little bit better than they might otherwise be.

MR. CHAIRMAN: Ladies and gentlemen, unless there is someone who wants to come in right now I think we might be wise to take a break for 20 minutes until as close to 3:25 p.m. as possible to get back here and we will wind up.

We are adjourned until 3:25 p.m. There are refreshments in the other end of the building in the Red Room. Thank you.

[3:06 p.m.]

[3:30 p.m.]

MR. CHAIRMAN: We will now resume our session. We are going to aim to wind up no later than 4:15 p.m., we will see how we make out.

We are welcoming any comments or questions for the speakers earlier this afternoon. To start, Mr. Cormier and I want to call on Mr. Archer.

MR. DOUG ARCHER (Aud. - Ontario): Thank you, Mr. Chairman. I just wanted to answer a question, which may have been rhetorical, but I thought I had better not take any chances, that Ed Philip raised as our reaction to assignments given to us by the Public Accounts Committee.

Certainly our office has been responding to motions of the Public Accounts Committee for as long as I have been with the office. Some of the assignments they have given us we would have the right, under our legislation, to decline them on the basis that it might interfere with our regular work, others we do not have that right. For example, if they ask us to do any special assignment that arises out of material that is in the Public Accounts, or material in our annual report then we must do the job, but in any event, we have never declined a request and it has not caused any major dislocation in our office, we merely realign our resources accordingly. Most of the audits that we do are done on a cyclical basis anyway, so occasionally we might have to stretch that cycle out another year or two.

We are also on record on that same vein of responding to a motion from any committee of the Legislature. We feel a committee of the Legislature is an embodiment of that Legislature, and as servants of the Legislature we should be prepared to respond to that committee.

Now should it happen that at some time a request is made that will tax the resources of the office we feel that we are dealing with reasonable people and that we can sit down and talk about it and work it out.

MR. CHAIRMAN: Just before I call on Mr. Jackson who is next and then Mr. McGrath would follow and then we will make notes of anybody else who wants to get in, I have bad news about the Bluenose cruise. Because of weather conditions, thunder storm and lightning storm advisory warnings, they are not able to take the boat away from the dock this evening so we may have to write some additional reports, do some additional studying or take it easy this evening, or do something else. That is the story on the cruise, I am sorry. That is for the Public Accounts Committee members only, the cruise tomorrow, that will be determined in the morning I understand. Mr. Cormier says it is on.

Mr. Jackson.

MR. FRED JACKSON (Aud. - Manitoba): We in Manitoba do not have legislation that covers the Public Accounts Committee directing the provincial auditor to undertake any special work, however, it has been a long understood policy in our environment that if there is a motion passed by the Public Accounts Committee we would be quite prepared and willing to undertake such work.

Again, like Ontario, we feel we are dealing with reasonable people and if we had not initially planned for our resources to undertake such work we would expect to be provided with additional resources to do it.

We also consider very seriously any of the requests made by individual members of the Legislature, whether they be part of the PAC or not. We do not undertake special assignments for them, but we make sure that we have analyzed the problem and know why we have not, and whether or not it fits in with our interests. If it fits with our interests then it is at our own jeopardy that we do not consider the thing very seriously.

We are working to satisfy the PAC and we do not understand why we would not want to be doing what we have done historically. More than that we take any request or any information from any citizen and consider it very seriously.

MR. PAUL CORMIER (Aud. - Nova Scotia): Mr. McGrath, the Auditor General of Newfoundland.

MR. JOE MCGRATH (Aud. - Newfoundland): Thank you, Mr. Chairman. I would like to compliment the Public Accounts Committee for the booklet that they have prepared on guidelines, it almost has a distinct Newfoundland flavour.

There was one point that Mr. Baker touched on which I thought was very important, and one that should be considered, I think, in more detail later on in your own

sessions and maybe in the auditors' sessions. That was with respect to going in and looking at Crown Corporations that are not audited by the Auditor General.

I think across the country now and I will let the other provinces speak for themselves when they get an opportunity to do so, but there seems to be a movement in certain jurisdictions to have maybe some of this work on Crown Corporations farmed out to the private sector auditors. That is not something which I necessarily agree or disagree with at this particular point in time, because it depends on how it is done. If it is done on an agency relationship, I do not want to go into a long story on what that means, it could be acceptable to me, but if it is done on the basis of just appointments by government then I think that is something that has to be looked at by the auditor, has to be considered very closely, because I think it reduces the accountability of that particular corporation to the House of Assembly and ultimately to the people.

With respect to requests from the Public Accounts Committee to undertake special projects, we have not had all that many, but I do respond, but it will be done on the basis of a motion passed by the Public Accounts Committee, in other words, we have seven members and there will be a majority vote that the Auditor General would do this and then the report will be tabled or given to the Public Accounts Committee and they would do with it as they see fit.

This business of private sector auditors is one that concerns me. For example, Mr. Cormier said that he was sitting here a couple of weeks ago, is that right Paul, before the PAC? For the corporations in Nova Scotia that are audited by private sector auditors, does that auditor have to come in and sit in the same chair that the Auditor General does and have to answer the same questions and have the witnesses appear from the corporation and answer the same type of questions? I would be very interested in finding out about that.

I will just summarize it by saying that if you remove the Auditor General from his role of auditing public money, whether it be money that is given to departments or Crown Corporations, I feel that the accountability process is diminished, and I am glad Mr. Baker touched on that this afternoon. Thank you.

MR. PAUL CORMIER (Aud. - Nova Scotia): Thank you, Joe, that is a point very well taken and I think it is one that the members of the committee I am sure will give due consideration to, following as it does from Mr. Baker's initial remarks.

Is there anyone else who would like to comment? George Morfitt from British Columbia.

MR. GEORGE MORFITT (Aud. - British Columbia): There were a couple of matters raised earlier that I would like to re-emphasize. A comment was made about looking at the estimates of government. Certainly Doug Archer has taken a good shot at that in Ontario.

I would just like to mention that we in British Columbia are now undertaking a special study of the estimates process as it is utilized in B.C., partly because of circumstances that you may have read about in the paper where the Coquihalla Highway that was built by the government cost approximately $0.75 billion more than the original estimate of $0.25 billion, which is a significant overrun in anybody's money.

But it was found with a special investigation of that matter that most of the difference between the $0.25 billion and the $1 billion final cost was not in contract or ripoffs or improper use of money, it was a flaw in the estimates process and the building up of the cost estimates of government.

Building on to that whole issue is this whole question of how government controls the public purse. The Legislature in British Columbia itself is not satisfied with the method by which it arrives at a budget from which expenses are paid and which then are reported to the public, those three aspects of accountability with the front end estimates driving the whole issue. So I would really commend to all PACs and all Legislative Auditors to perhaps look at that whole area within your own jurisdictions.

The second area that was mentioned was this matter of follow-up, which is Section XII of this report. Certainly my office is not happy at the present time with the extent of follow-up of the recommendations that are made on an annual basis in our annual report.

We Legislative Auditors are great in saying, we can only make recommendations, we cannot implement, and then we walk away, and perhaps in the following year's annual report we will comment on areas of the previous year's annual report that we feel are still ongoing and not quite settled.

Then the following annual report we drop the whole matter completely and we do not mention it again. Well that is not very satisfactory from anybody's point of view, and this whole question of following up the recommendations of the Auditor General on, not a one year basis, but a two year and three year basis in some cases, when you are dealing with comprehensive audits, is a matter which also, I think, should be dealt with seriously by the Public Accounts Committees across the country.

There is the old three envelope syndrome, the first one, blame the previous organization and the second one, reorganize, and then the third one, prepare three more envelopes. That seems to be the method by which the reaction to the recommendations of the Auditor General often take place. Oh well, that has all been taken care of, we have removed the deputy minister and we have reorganized the department and everything is hunky-dory now. There is not sufficient follow-up, in my view, of many of the audit recommendations that we make.

The third matter I would like to mention is perhaps the most important one and that is how is this document now going to be utilized? How are all the Public Accounts Committees across the country going to utilize this in determining what their roles and responsibilities are?

In my jurisdiction when the first draft of this came out members on the government side of the PAC discounted it quite seriously, they felt it was not very relevant. Now, Ms. Marzari is going to have to go back into her jurisdiction and to her PAC and try and have her committee adopt this report, or a good portion of it, as being valid for her committee.

I am not so sure that she can do that alone. She is terribly capable, but it is difficult when you are an Opposition member chairing a committee that is dominated by the government side. So I would just like to suggest to the PACs being represented

here that you are going to have to deal very carefully and wisely with how you are going to get this accepted across the country.

MR. CHAIRMAN: Thank you, Mr. Morfitt for your comments. I would like to move on. Mr. Pashak.

MR. BARRY PASHAK (Alberta): Thank you, Mr. Chairman. I would like to turn our attention to Section III of this report, Page 2, which deals with responsibilities of the Public Accounts Committee. It lists the functions of Public Accounts Committees. Just going over them quickly with the Alberta Auditor General, it seems that much of what is listed there includes work that he already does for the Legislative Assembly. He deals with, "- the reliability and appropriateness of information in the Public Accounts to provide a full and fair accounting of operations and financial transactions;", et cetera, and I could go through that list. He virtually does everything that is spelled out there. So I wondered if, in essence, we are asking for a duplication here, as members of the Public Accounts Committee, of work that is already being done.

I would like to get a reaction, I guess, first of all, from Mr. Cormier, representing the Auditors General, comment on that. Then members of our own committee might want to comment on his statement, so just a cat among the pigeons, so to speak. (Interruption)

MR. PAUL CORMIER (Aud. - Nova Scotia): You are quite right. It is one thing or the other, drown out the fans or hear yourself in vibration.

The provisions on Page 2 are pretty close to the actual legal provisions that we would find in most of the Audit Acts in Canada, if not all of them, with the exception of those who do not have the value for money provisions such as you have in three of the last four. So possibly you do not have to have that as an item in your own report. However, you may feel that there is no harm in repeating it here and having it as part of your basic guidelines for Public Accounts Committees and then a person doesn't have to refer to Audit Acts, if that was the thrust of your question. I feel that, when I saw it I said, that is fairly close to our Audit Acts in most jurisdictions, but I think it makes sense to leave it here.

MR. BARRY PASHAK (Alberta): No, but he is missing my question. I agree that that is contained in the Audit Act. My question really had to do with the fact that this is suggesting that Public Accounts Committees should do this and is this, therefore, not a duplication?

MR. PAUL CORMIER (Aud. - Nova Scotia): Oh, excuse me. I am sorry, I missed the point of your question. I would react to that somewhat along the lines that I think one of those who made a presentation did and that is that this is really the role for the auditor and not for the Public Accounts Committee. Excuse me, yes. I think that where you fit into this is to ensure that the auditor acting on your behalf does, in fact, . . .

MR. BARRY PASHAK (Alberta): Do these things, yes.

MR. PAUL CORMIER (Aud. - Nova Scotia): . . . carry out these provisions. I am sorry, yes.

MR. BARRY PASHAK (Alberta): Well, then that becomes a debating point for legislators as to whether or not the Public Accounts Committee should be doing this or whether the Legislative Assembly itself should be doing this.

MR. PAUL CORMIER (Aud. - Nova Scotia): I am not sure how a committee can do all of these things. It strikes me that resources, audit competence, the independence and objectivity that a Legislative Auditor brings to the review of these are more truly his or her mandate. It is up to you to ensure that there is a coverage of these key issues and in the annual reports and whatever discussions there are before the committee, that this has been done, reported upon and dealt with right through to the follow-up stage that we have in the accountability cycle. Is that the answer that you were looking for?

MR. BARRY PASHAK (Alberta): Well, I am not sure that I was looking for a specific answer, but it is the answer that I thought I would get.

MR. PAUL CORMIER (Aud. - Nova Scotia): I am sorry to have misunderstood you.

MR. CHAIRMAN: Ladies and gentlemen, Mr. Philip had his hand up and then Mr. Dye and then Mr. Baker, that is the order.

MR. ED PHILIP (Ontario): It seems to me that the role of the auditor is one of an investigative role and a persuasive role, the role of the Public Accounts Committee is one of investigative and to some extent enforcer. As a partner with the auditor, we have an equal responsibility to investigate matters that he has commented on and to use what enforcement power we have, namely the calling of deputy ministers and the making of recommendations, to ensure that matters that he has brought to public light are in fact corrected. I think that if you look at the rest of the report, you will see that we have made a number of suggestions about how the Public Accounts Committee can, in fact, be more effective in bringing about the kinds of changes which the provincial auditor or federal auditor and the Public Accounts Committee want to see come about.

MR. CHAIRMAN: Mr. Dye.

MR. KENNETH DYE (Aud. Gen. - Canada): Mr. Chairman, I see our role as helping the Public Accounts Committee fulfil these various functions laid out in Section III, Page 2. It may be different with respect to mandate on the last four bullets, depending on our jurisdiction, but I do not think there is a waste of effort or a duplication. Our job is to provide assurance. I have at my command 1.3 million hours of resources. The Public Accounts Committee simply has not got anything like that and no one would expect it to have. I think the Public Accounts Committee needs us and we need them. If they are going to extract accountability on behalf of the taxpayers, they need the assurance from us. So I don't see it as a duplication at all.

MR. CHAIRMAN: Mr. Baker is next and then Mr. Pashak.

MR. WINSTON BAKER (Newfoundland): Thank you, Mr. Chairman. I was going to say basically the same thing that Mr. Dye said. I am not so sure what the problem is. We use the Auditor General and his extensive staff to do the investigations and then we sit down and we carry out our investigation into what was done. We listen to both sides and then we make specific recommendations based on the Auditor General and

what the Auditor General and his staff have done. Our recommendations may be that the recommendations of the Auditor General be implemented or it might very well be that the Auditor General is out on a limb here and we might very well decide that what the Auditor General is saying is not correct. So the Public Accounts Committee has these obligations, these responsibilities, I feel, but it is carried out through the investigative agencies that we use. We are a method of reporting back to the Legislature on that.

I don't know if you would be satisified if we sort of changed the heading there to indicate that other agencies actually do the investigation, but, as Chairman of the Public Accounts Committee, I cannot do that, you know. If we change the introduction somehow. I don't think your point is that if the Auditor General does these things, therefore he can report back to the House and, therefore, there is no need of a Public Accounts Committee. I don't think that is your point.

MR. BARRY PASHAK (Alberta): Could I come back in just briefly?

MR. CHAIRMAN: Well, briefly.

MR. BARRY PASHAK (Alberta): Okay. I just wanted to say, I agree with what the Auditor General, Mr. Dye, is saying. It is just that when you read the first part of that it says, "To fulfill this function the Committee investigates and reports . . . ". I mean, that would mean setting up a bureaucracy equivalent to what the Auditor General has, in order to do all of those things. I agree that our mandate should be to make sure that these things happen, but it is not to do the investigation and that kind of thing ourselves. That is clearly the role of the Auditor General.

MR. WINSTON BAKER (Newfoundland): What about if we put a comma after "investigates"?

MR. BARRY PASHAK (Alberta): Well, . . .

MR. CHAIRMAN: Mr. Baker, did you have a question for Mr. Pashak? Please turn the microphone on.

MR. WINSTON BAKER (Newfoundland): I was wondering if putting a comma after "investigates" would solve the problem then.

MR. BARRY PASHAK (Alberta): No, it is just that, maybe we are just quibbling over a word change, but I think it brought out the principle anyway. I think you could rewrite the introduction to that section and make it effective.

MR. CHAIRMAN: Thank you. Mr. Redway, please.

MR. ALAN REDWAY (Canada): Mr. Chairman, perhaps the point has been made and made well and I think Mr. Pashak has probably conceded the thrust of it, but I just wanted to add the fact that there is an investigative role in my mind for both the committee and for the Auditor General and his staff. In my view, there is no duplication. I am not sure what happens provincially, but I can tell you, federally, that when the Auditor General produces a report there are inevitably the comments to his recommendations by the deputy minister of each department that follow. Sometimes the deputy minister agrees with the Auditor General's comments and says, I am implementing

these as fast as I can. Other times they disagree and say, the Auditor General is full of crap. That is then the role of the Public Accounts Committee, to decide whether the Auditor General is full of crap or not, or whether it is the deputy minister.

MR. CHAIRMAN: Mr. Philip.

MR. ED PHILIP (Ontario): I had a different line of questioning arising out of the comments of Mr. Morfitt and that is the matter of follow-up. Certain Ombudsmen have found that for the reasons of wanting to highlight a particular problem or, indeed, of bringing about a change more expeditiously, that it has been necessary to introduce special reports rather than simply an annual report where a great number of problems are dealt with and they can be lost in the shuffle. This report of the subcommittee suggests the value of introducing special reports by the Public Accounts Committee. I wonder how many of the auditors feel that perhaps it would be a useful vehicle to have special reports on those matters which in their discretion are of importance or where changes are necessary as expeditiously as possible, whether there are changes needed to their Audit Acts in order to bring about this and whether that would be a useful process rather than simply introducing annual reports?

MR. CHAIRMAN: Mr. Hovdebo.

MR. STAN HOVDEBO (Canada): Mine is a different area, if there is somebody else still on this particular concern, I would wait for a moment and do it?

MR. CHAIRMAN: Would anybody want to respond to Mr. Philip's comments?

Mr. Dye and then Mr. Lutz, okay.

MR. KENNETH DYE (Aud. Gen. - Canada): Just a brief comment. I think an annual report is becoming an anachronism. Parliament needs information on a timely basis as it can get it. I would argue that there would be a great benefit to the Parliament if they had more timely information.

Your British colleagues like the 52 reports a year they get from the Comptroller and Auditor General of the United Kingdom. I believe there is periodic reporting in Australia now. Certainly in the United States, the congressmen are getting 700 or 800 reports a year. I think we should get our legislation changed.

MR. PAUL CORMIER (Aud. - Nova Scotia): In further response to that question of yours Mr. Philip, I think that many of us would require amendments to our legislation in order to provide it. I think a lot of us share the point of view that Ken Dye has expressed, some of it is too late, there is too much of it coming at one time and on relatively important matters it makes sense to have a more periodic report in. I think it would probably would be better for Public Accounts Committees, providing they can deal with them on a timely basis and not like in some jurisdictions, such as our own, where there is only a very short meeting period, generally, and that takes place while the House is sitting in the spring months and there is difficulty dealing with matters from our annual report.

Willard, did you want to comment further. Willard Lutz from Saskatchewan.

MR. WILLARD LUTZ (Aud. - Saskatchewan): Thank you, Paul. I have provision in my legislation for a special report or reports. I have used those provisions in my Act to submit special reports, but once I have done that, now it is in the ball court of the legislators if the report is referred to the committee, the committee can deal with it. I think if it is not referred to the committee, for whatever reason, it is probably going to sit there. The last two reports I have submitted as special reports have yet to be dealt with by the Public Accounts Committee, and don't ask me why it hasn't because I do not know. I have done my thing. I put it on the Table through the Speaker, if they don't deal with it, if they don't discuss it, if they don't do anything with it, I guess it wasn't very vital. You cannot do anything other than that because it is now up to the legislators.

MR. ED PHILIP (Ontario): Can you not suggest in your next report that perhaps an amendment to your Audit Act or perhaps the Standing Orders of your House would be in order, that your reports would automatically on tabling in the Legislature be deemed to have also been tabled with the Public Accounts Committee to be dealt with as expeditiously as possible?

MR. WILLARD LUTZ (Aud. - Saskatchewan): One hesitates to get into this particular policy field when I would think the legislators are more able than I am to decide how these things should get done. Yes, I could probably suggest that of my next report, I could maybe ask for an amendment to my Act which would accomplish no more. If they don't want to refer my report anywhere and if the members of the committee don't want to go clamouring for it and if it sits there on that Table from now until next year, what would I do other than say, well, I have done my thing, I have put it on the Table, it is finished?

MR. CHAIRMAN: Anything else on that or could we go to Mr. Hovdebo?

Mr. Hovdebo.

MR. STAN HOVDEBO (Canada): Thank you, Mr. Chairman. I just want to move into a little different area. We have been talking about the Auditor General's Report and the reports of the Public Accounts Committee. Over the time that I have been in the House and on the Public Accounts Committee, I have felt a great lack of effectiveness of the recommendations we make on next year's estimates. We can point to a very bad situation and the estimates will come out a month later with 10 per cent added on to what they had the year before. I would just like any of the Auditors General here or anyone else to comment on that particular thing.

I know that the committee in Ontario has made a recommendation and we in the federal House have made a recommendation that there should be some relationship between our reports or the Auditor General's reports and the estimate process. How are we going to go about it and can we in this body do anything to push that kind of effectiveness into place?

MR. CHAIRMAN: Would anyone like to respond to that?

MR. ED PHILIP (Ontario): One way that we are doing it is that our government members like Mr. Carrothers, who is sitting over here, are committed to the proposals we have made and are doing their best to sell it to the government and to convince some Cabinet Ministers that they have actually got something to gain from it. I think

the first thing you have to do then is to convince the government members of your committee that they have a responsibility to go in and sell the proposals to the Cabinet.

The Opposition members have to sell it to the Opposition members because, as I see it, there may be more down sides for the Opposition who simply want to raise issues about local concerns so that they can get a few votes here and there out of it than there is to the government side, who will, perhaps, see some of those opportunities for the Opposition members disappearing but a more accountable system and more efficient system developing for the government.

MR. CHAIRMAN: Thank you. Mr. Dye.

MR. KENNETH DYE (Aud. Gen. - Canada): Mr. Chairman, your colleagues may not be aware of the Swedish model that they used to some advantage, at least, they are establishing a pilot project to look at estimates on a triannual basis. In other words, they look effectively at one-third of the expenditures in one year and they provide, on sort of a global basis, three years of expenditures to a department and have some guidelines of staying within those expenditure proposals. My recollection is something along the lines of 5 per cent lapsing leeway in each of the two following years for operations and it is 20 per cent, I think, on capital.

As a manager in the Public Service, that makes eminent sense to me. The present cash controls are probably not appropriate. It is the best link you have got in Parliament to hold the government of the day accountable but time has changed and business processes have changed and I don't think it works as well. The Swedish model, I think, bears some further study.

I think there is a legitimate role for the auditor to assist Parliament in making those reviews with respect to the quality or the integrity of the information. I don't think I would suggest that the auditor should be getting into the merits or the policy.

I would also argue that I think our Public Accounts Committee has made a recommendation that reviews of estimates should not then create a situation where the government would lose the confidence of the House if there was a variation. It seems to me that it is quite legitimate for a committee, if they are going to make a review, to make a recommendation and that shouldn't threaten the whole process.

MR. CHAIRMAN: Any other questions or comments? We are coming down to maybe the last question or two.

Mr. Redway.

MR. ALAN REDWAY (Canada): Mr. Chairman, I would just like to sort of tag in on the end of Mr. Dye and then go on to something new. Mr. Dye has a long way to go to convince me that we should go to the Swedish model of three years of estimates. Quite frankly, we have little enough control over government estimates at the moment on a one year basis let alone going to three years, in my view, however.

One thing I wanted to raise or comment on and perhaps get other comments on was the initial point that was made by Mr. Archer, which I found rather interesting. That was the question that Public Accounts Committees should be assessing the overall performance of government and perhaps selecting items that were not selected by the

Auditor General to take a look at. That fits in admirably of course with the view that Public Accounts Committees should be requesting special investigations or special projects. There seems to be a great controversy or disagreement within various auditors and there may be also among Public Accounts Committees as to whether or not we should be asking auditors to commit their hard gotten resources into things that we are interested in rather than things that you are interested in. That certainly seems to me to have a lot of merit.

One thing that struck me, however, in an overall look at performance of government, it was implicit in Mr. Archer's comments that overall governments generally perform not too badly and auditors are identifying horror stories only and perhaps in relation to the overall performance the horror stories aren't as enormous as one might suspect.

Perhaps I would like to ask the question of you, Mr. Archer, and others as to why there isn't more emphasis laid on this in annual or other reports of auditors to their Legislatures or to Parliament emphasis laid on the fact that generally? Overall, the performance is good whereas inevitably when the reports are made they do seize on the horror stories and the press emphasizes that and the public's reaction then is that government is a nest of thieves and incompetents and that everybody should be turfed out more frequently than annually because they just don't know how to look after the public's money.

MR. DOUG ARCHER (Aud. - Ontario): I guess if I could respond to that. For the last two or three years now, we have included, what we term an overall assessment of the performance of the government as part of our annual report. We have, I have forgotten the exact wording, but it would be something like, we said, that overall the government has been administered in a satisfactory or even better than satisfactory manner. We go on and comment on that for a paragraph or two.

Now, in press conferences and that sort of thing, I have been pressed for a little more detail as to what I mean by satisfactory or a little better than satisfactory. I have sort of gone to a scale of 10. What we have said is that in Ontario, in the last report, that we would have given them a 7 on a scale of 10. So that the balance of our report then outlines areas where they could try to clean up some of the remaining 30 per cent.

MR. ALAN REDWAY (Canada): I am just interested in the fact that you devote one or two paragraphs to that. How many paragraphs are in your entire report by the way, several thousand?

MR. DOUG ARCHER (Aud. - Ontario): Yes, I think that is a fair estimate.

MR. ALAN REDWAY (Canada): Yes, I suspect as much.

MR. DOUG ARCHER (Aud. - Ontario): I must say in partial defence of that, that there are sections in our report that comment strictly on things that the government has done well. Admittedly, they are in a minority but they are there.

MR. PAUL CORMIER (Aud. - Nova Scotia): This is a matter that I have been wrestling with for a number of years and that is the ability to express that kind of overall assessment. I know that several of my fellow Legislative Auditors have in fact

made comments to this effect. The way we cycle our audits, the way in which we are organized to look at the performance of government, it focuses on this, and this and this but not over here until next year or the year after. To date I have found it difficult to do that sort of thing and I do not see the light at the end of the rainbow just yet.

The other thing is that certain of the matters which impact on overall management are pretty close to, or treading over, that policy line with respect to how government has decided to organize itself, the mode that they have chosen to organize and do things. I would find that a little awkward to comment upon because I am not sure sometimes whether it is the structure, the framework, or the people who are within it, whether they be politicians, as ministers, or whether they be senior bureaucrats. I am having difficulty and maybe I will leave that for my successor, I have to go in four years anyway.

MR. CHAIRMAN: Ladies and gentlemen, I think that completes, I do not see any more items and we more or less indicated that would be our last speaker. Maybe I could ask Mr. Cormier if there are any items he wants to mention, any housekeeping items he wants to mention? I have a couple and then we will adjourn.

MR. PAUL CORMIER (Aud. - Nova Scotia): No, I have no housekeeping items as such, other than to tell those of our group who have come here and have enjoyed the afternoon session in Province House that I picked up some brochures which we can get tomorrow. Don't tell me that you people did not get them?

Very quickly, it is a good thing that we can come together like this, I think it is useful to us, not only to come together today but to have the opportunity to meet and talk with each other over a period of two and one-half days at our social events. It is a tremendous development, and I go back again to Pat Reid a decade ago who started this. I for one value the manner in which you people have accepted the relationship that has developed, I think it augurs well for continuing improvement in the way we can serve you to better fulfil the rather awesome responsibilities that you have. We think we have them, but I think you have far greater ones than we have. Thank you.

MR. CHAIRMAN: Ladies and gentlemen, Mr. Cormier, I want to thank the Legislative Auditors for coming here to meet with us today. I think we have benefitted a great deal from your experience and wisdom and it is really good that you took the time and I think it is important to us as committee members and hopefully we have been of some benefit to you in our discussions. Thank you very much for your kindness in meeting with us.

I would just remind members of the Public Accounts Committees that the cruise on the Bluenose is off for tonight, unfortunately, because of the weather. We will meet tomorrow at 9:00 a.m. The meeting will be over by approximately 11:00 a.m. and for those who are going on a bus tour to the Annapolis Valley, lunch, I believe starts at 11:30 a.m. and the tour leaves at 12:30 p.m. Thank you very much.

[4:13 p.m.]

WEDNESDAY, JULY 13, 1988

[9:16 a.m.]

FOURTH SESSION

Conclusions and Follow-Up

MR. CHAIRMAN: I would like to get underway. What I would like to do in starting this morning first would be just to remind you again, as you have been so cooperative in doing throughout the conference, to identify yourself when we start off so that we can keep everything on track for our Hansard services, so that we can get a good transcript of our work when they are later transcribing it.

To start with this morning, we are going to complete our discussion of the guidelines, the model report, the ideal Public Accounts Committee as worked on by Ms. Marzari, Mr. Baker and Mr. Philip. I would like to turn it over to these people and they will present some ideas to us. We will complete that section and then take a short break. Then we have some council business to adopt and we will try to get through at a decent time this morning. The tour leaves later at approximately noon, actually at 12:30 p.m., and we want to be ready to go.

I turn it over to Mr. Baker.

MR. WINSTON BAKER (Newfoundland): Thank you, Mr. Chairman. You all have the pages, I think, that were put on the desks which involve some of the changes that were suggested yesterday and seemingly agreed to by people. There seemed to be a consensus on these changes.

The first page is simply a change in grammar, so it is not overly significant. The first page, Section II, No. 2, the Role of the Public Accounts Committee. So it is just a grammar problem there that we corrected and we don't need to deal with that.

MR. CHAIRMAN: Mr. Baker, just so everybody will have it, that is Section II, Page 1, is that right? Just so everybody will be right.

MR. WINSTON BAKER (Newfoundland): I am referring to the sheets that were given out now.

MR. CHAIRMAN: That is right. That is Section II, Page 1, I understand.

MR. WINSTON BAKER (Newfoundland): Yes, Section II, Page 1. That is just a grammar change, no problem there.

In Section II, Page 4, on the second sheet you have in front of you, the Role of the Public Accounts Committee, this is simply an addition of a paragraph to complete the discussion of the situation in Ontario and the estimates recommendation. The tying together of the estimates and Public Accounts Committee procedures. So the second page is Section II, Page 4, the insertion of a paragraph.

The next sheet you have is Section III, Page 5. The suggestion was made that the order be changed in terms of the Responsibilities to Others Involved in the Account-

ability Cycle. That has been changed to put, "(i) the electorate - ", first. We are suggesting that change.

The next sheet reads Section IV, but it should be Section V, Page 1, the Committee Membership. On No. 1, the Size of the Committee, the change is made there to make allowance for the "territorial" Legislature. That was an oversight on our part that we have corrected.

The next sheet involves Section VII, Page 3, which deals with the duties of the chairman. The first duty there has been added following discussion yesterday, " - to outline the scope of the hearing at the commencement of the meeting, to propose the structure of an inquiry and to summarize the main points at the end of a hearing.". (Interruption) There should be a comma after "meeting", yes.

In Section X, Page 6, that is your next sheet, there was a problem with "The Auditor General and his representative . . . ", so we have changed that to read, No. 5, the Auditor General to Attend all Hearings, "The Auditor General or his representative shall attend all Committee hearings, . . . ", and we have added, " . . . except where the Committee or auditor feel the circumstances do not require his presence.". This was to respond to comments from the auditors yesterday.

The final sheet you have in front of you is the last page of the report, Section XII, Page 2, "The Committees should determine for each item, the appropriate time for department, agencies and any other government body to respond, . . . " and there should be a comma put in there, ". . . and follow up procedures, which may include recall, will be initiated after that time has elapsed.".

There were some other suggestions that we have not typed up yet. For instance, in Section III, Page 8, there were comments made about the nature of the full time position and what we meant by full time position and all of this kind of thing. We have changed that first thing on Page 8, "When this point is reached the Committee should consider some or all of the following options:", we have changed the first one that deals with full time positions altogether. Instead, we are inserting . . .

MR. CHAIRMAN: Which section, Mr. Baker?

MR. WINSTON BAKER (Newfoundland): This is Page 8 of Section III.

MR. CHAIRMAN: Thank you.

MR. WINSTON BAKER: It is the section of Challenges Facing the Public Accounts Committees, Page 8 of Section III.

We changed that first one there and, again, we do not have a sheet typed up on it and there are a few other changes like that. We changed that to read, "Fulfilling the role of Chairman of the PAC is time consuming. Its importance should be recognized through compensation over and above the member's other remuneration.". So that solves the problem that was evident concerning the full time nature of the job.

We have other changes, as well, that we are in the process of making, to respond to comments that were made here in the last two days. So those are the changes that

we now have on paper before us and, as I say, there are others that we can make over the next short while.

There is one outstanding item with regard to this report and it has to do with, what happens next? I am going to suggest, and I am willing to hear comments, that the present committee continue on for another short while to complete the history part, to make sure that the changes that have been discussed in the last two days are made to the report without changing its basic nature, and that the committee be responsible for seeing that the report is printed, that funds are made available somehow for the printing of the report, and that then the report be distributed and followed up on. So I am recommending that the present committee remain in place for a short while to deal with those particular problems. For a short while, I do not necessarily mean all year, but when the objectives have been accomplished.

Mr. Chairman, these are my comments right now. I don't know if any of the other committee members have any comments or if anybody else in the meeting wants to comment on what has been said.

MR. CHAIRMAN: Well, Mr. Baker, maybe what we should do is just see if anybody has any questions or comments before we proceed to follow along the suggestions that you have made and we might, after that, make a general motion to adopt the report, subject to the changes that were agreed upon over the last couple of days and the changes that have already been made.

I think I would ask first if there is anyone who would like to comment on the report at this time, panel members or any of the delegates here.

MS. DARLENE MARZARI (British Columbia): I think now we have reached the point at which things become difficult. Sitting in a room for three days and going over the wording and the concept is one thing, but then actually carrying the ideas back to where we come from is another and that is really the test of the pudding, is it not? It would seem to me that I would very much like, and I think that the other two would like, to hear about what would suit your Public Accounts Committee best in terms of translation of these concepts into practice. Would it be useful if members of the committee, if a few of the auditors, if perhaps representatives of the federal committee visited your committee for an informal educational, if you wanted to call it that, would it exacerbate things if they did? Would it make things worse? Would it be a neutral experience?

In my case, and I think that I am aberrational and my committee is perhaps a bit more polarized than most, it might be useful to have perhaps a visit from an Auditor General or from another member of our committee or from another member of the council to come and speak informally to my Public Accounts Committee and with the Auditor General. That would be useful for me. Would it be useful for other members sitting in this room? If not, what other mechanisms could be put into place that would make things easier and facilitate moving towards some of the goals we have tried to establish here.

MR. CHAIRMAN: M. Pouliot.

M. GILLES POULIOT (Ontario): Merci, M. le Président, bonjour. I find it somewhat difficult to acquiesce, when lacking specifics. We are talking about, we should be really

given a timetable addressing specifics, in what order and pretty well an overall cost and who is going to pay for it. Not that I choose to be meticulous, but certainly a better handle on what is being proposed. It seems to me, with the highest of respect, of course, that it is very loosely knit. So, before joining the circus, I want to know when it leaves.

MR. CHAIRMAN: Would any of the panel like to respond to the comment? Would you like to comment, Mr. Baker?

MR. RON MOORE (Alberta): I know it certainly would be desirable and I would love to be able to say when things can be done and I would love to be able to say where the money is coming from and I would love to say when that money is coming. I do not know right now, is the point. We get together once a year, that is all, and we have to operate slightly differently than the normal committee or normal group would operate. What I am suggesting, simply, is that you pass it back to us at the end of this session. For instance, I could set a tentative timetable in terms of the publishing and getting it out, hopefully before Christmas, and that means that between now and then we have to find the money, but I feel fairly confident that we can find the money. We will try to get it done by that time.

Then there is the other problem of the follow-up. As Darlene mentioned. We would like to have some feedback from everybody as to what kind of follow-up is required. The follow-up is going to take longer, much longer.

MR. CHAIRMAN: Ladies and gentlemen, maybe to try to proceed in some type of an orderly fashion, I will make a suggestion that if it is in order that we look at a motion to accept the report. Maybe Mr. Baker or one of the members could give us a motion for acceptance and then we could deal with it. Then we look at how we go from there, or we could look at a proposal, maybe not a motion, that the committee continue just until the next meeting only. We will not have a continuing committee, but just until the next meeting and then we might look, thirdly, at any educational role. If anybody would like some of the committee members to visit or wanted some of the auditors or whatever, but I think we should take them one at a time. I think first thing we should do is entertain a motion for general acceptance of the report. Mr. Ron Moore.

MR. RON MOORE (Alberta): Mr. Chairman, I agree that we should make a motion that we are doing something with it so that we know where we are headed. I do not know whether the word accept or adopt, either one, is acceptable. This is far-ranging and the implications are great. I think we should have a motion to receive the report rather than accept or adopt, that we receive the report because there are a lot of cost factors, a lot of other implications that are seeded all through this report that should be studied a lot more than in the short time we have had here in the last two days. I think we would be far better off to receive the report and let the feedback fall from where it comes.

MR. CHAIRMAN: Ladies and gentlemen, other comments? The fear that I have as chairman is that if we do not do more than simply accept it, then really all this work is lost and there will be new faces as sure as the sun, there will be darkness tonight. At least 20 per cent if not a third of this committee will be changed at this time next year and we will try to do the whole thing again. We will try it some day down the

road. I would like to hear other points of view on it. I will just turn it over to Mr. Winston Baker for any response he might have.

MR. WINSTON BAKER (Newfoundland): My immediate response is similar to yours, Mr. Chairman. I am afraid that if we kind of just accept it and leave it, then nothing is going to happen over the next few years. With the changes maybe nothing will happen. I would prefer to have a document that is accepted by this committee as a document that we will proceed with, that as a position we hope Public Accounts Committees can reach, that be accepted by the group.

If we cannot get acceptance where do we go from here? How do we deal with it? How can we, for instance, try to make changes in the format of Public Accounts Committees across the country in a way that we hope would happen after the report? How can we have any effect on what is going on in the country?

If there is a problem with acceptance, maybe if we could simply say, and maybe I should move the motion now, Mr. Chairman, that the document be adopted as a working document and that would mean that it is generally accepted that the document is there, it is useful and will be used in the future to try to make changes in Public Accounts Committee procedures across the country. So, I would move this document be adopted as a working document.

MR. CHAIRMAN: Mr. Winston Baker has moved that the document be adopted as a working document. Are there any questions or comments on this suggestion? Mr. Albert Fogarty and then Mr. Jean-Guy Lemieux.

MR. ALBERT FOGARTY (Prince Edward Island): Well, Mr. Chairman, I would find Mr. Baker's motion to be a reasonable one, I think. These are basically a set of guidelines. We are, I think, breaking new ground in terms of federal-provincial committees, in terms of these Public Accounts Committees. I think it is an interesting little bit of work that is happening at this conference. I know for ourselves, we do not have any guidelines really of this nature with our committee. So, I can certainly see where our committee would want to adopt some of these guidelines almost immediately and then, of course, over the next few years and I do say consciously few years, I think our committee would accept more of them. So, I think on behalf of P.E.I., I would say that this document deserves to be accepted by this conference and that is how we would feel about it.

MR. CHAIRMAN: Thank you, Mr. Forgarty. Next is M. Jean-Guy Lemieux.

M. JEAN-GUY LEMIEUX (Québec): Alors, pour rejoindre l'opinion de mon collègue de l'Ile-du-Prince-Edouard, effectivement je crois que le document n'est pas seulement raisonnable, mais il est plus que raisonnable. Avoir, hier après-midi, le comportement des vérificateurs généraux du Canada et de l'ensemble des provinces, j'ai effectivement compris que ce document avait beaucoup plus d'importance, peut-être, qu'on peut le penser. Il nous donne beaucoup de orientation, beaucoup de piste. Effectivement, ce document doit, à mon avis aussi, être revu par l'ensemble des législateurs.

Et à titre d'exemple, lorsqu'on parle que le président et le vice-président agissent à titre permanent et relativement son salaire, chez nous, le tout est régit par une loi. Il me sera difficile de faire mon défi à cette loi là pour que le président de la commission des comptes publics agisse d'une manière permanente. Ce que j'aimerai suggérer

c'est, qu'effectivement, ce travail merveilleux, ce travail très professionnel, qu'a été fait par le comité Baker, soit accepté et que chaqu'une des législateurs aient quand même un délai, je dirai peut-être mi-octobre, afin qu'il puisse faire des commentaires au sous-comité, rélativement des modifications mineurs.

Il me semble que c'est possible pour le sous-comité, ou le nouveau président du Conseil Canadien des Comités des Comptes Publics, d'entrer en contexte avec chaqu'une des législateurs et, relativement, la publication. Vous savez, je trouve ça un petit peu odieux qu'on ne puisse pas se payer ou qu'on n'a pas le moyen de se trouver $3 mille en ensemble des parlementaires qui sont ici. Hier, lorsque on a disputés là dessus, vous savez, je suis arrivé à ma chambre puis je trouvais ça un petit peu je veux dire. On ses réunit ici, on est tous des parlementaires. Il me semble que trouver $3 mille, si je l'avais eu dans mes poches hier après-midi, je pense que je vous l'aurais donné toute suite. Il me semble que ce n'est pas si difficile que ça.

Moi, en ce qui me concerne, je tient à vous le dire, je tient que ce rapport soit publié. Je va situé, en arrivant à Québec, une rencontre avec la commission du budget et de l'administration, et je va demandé le vote, est-ce qu'un montant soit débloqué pour que ce rapport soit effectivement publié. Mais ce que je demande au sous-comité, est-ce que je demande au président c'est de me donner du temps pour que l'ensemble de la commission puisse réfléchir sur ce document, enfin que par la suite, on puisse nous vous fournir, peut-être, certains amendements. Alors, c'est un moment de reflection et au long que je parle, je pense qu'il est important que ce rapport là soit adopté et soit publié. Merci.

MR. CHAIRMAN: Merci, M. Lemieux. Other comments or questions on the motion by Mr. Baker? Do you want to wind up the debate, Mr. Baker? I see no other comments. Do you want to wind up debate then we will, I do not know if we need a vote or if there is a consensus we will go from there?

MR. WINSTON BAKER (Newfoundland): Just a couple of comments, Mr. Chairman. I would like to thank the members of the committee for putting so much time into this document. I would like to thank the research staff in all jurisdictions who have spent hours trying to put this together. We believe that, as a group, we should make a statement concerning how we should operate and it makes us a better group because of it. The committee believes very strongly that we should make our own statement with regard to what we should be doing and this document would provide the basis for that statement.

I thank Mr. Lemieux for his concern about the money and we look forward to talking to him in the future. Also, his suggestion that perhaps a deadline could be set in terms of suggestions from jurisdictions about changes in the document that we can then sit down and incorporate. So, that will be very useful. I would like to thank the members of the Public Accounts Committees for their very helpful comments during the last two days. Thank you.

MR. CHAIRMAN: Thank you, Mr. Baker. I think maybe possibly the way to deal with it is, the motion that is before us is moved that, be it resolved that this report be adopted as a working document. I would just like to ask those that are in favour to say Aye. We might as well do it that way. Those contrary, say Nay.

The motion is carried.

So, we are accepting it, ladies and gentlemen, as a working document and I thank you for that. We have at least reached some decision.

I think we should go on from there and ask if it is the will of the delegates that the committee involving Ms. Aideen Nicholson, Ms. Darlene Marzari, Mr. Winston Baker and Mr. Ed Philip continue until the next meeting, that they complete the changes in the report and they make the arrangements including dunning us all for a little money to get it printed and try to have it done by Christmas. Is there agreement on that or is there any comment on that? (Applause) Dr. Kal Seaman.

DR. KAL SEAMAN (New Brunswick): Mr. Chairman, I agree with your statement completely and I agree that this committee should continue on and also may add to that that they could possibly receive more input from the various jurisdictions during the next forthcoming year. With that in mind, we would need a contact, how we would make contact, with this committee.

MR. CHAIRMAN: Ladies and gentlemen, I think the way to proceed would be the chair in each case if it had some particular comments, they could direct it to one of the four members of the subcommittee and I am sure the four members of the sub-committee would contact the appropriate person in each province. So, I gather from the reaction, unless I hear some other comment, well, Mr. Van Mulligan wants to comment, please.

MR. HARRY VAN MULLIGAN (Saskatchewan): Thank you, Mr. Chairman. I just want to follow-up on comments by Darlene Marzari with respect to the committee not only continuing its work, but the committee being available to attend to various Public Accounts Committees throughout the country as a means of, I understand, stimulating discussion. That may not be possible, that may not be a workable solution, although it may work in certain instances, but if the committee is to continue, one of the things it may look at doing is to elicit opinion formally from each and every Public Accounts Committee in the country.

That is to say, here is the document of what we believe to be a model Public Accounts Committee. Would you please discuss this and come back to us with the sense of where you stand on each and every of the items and any further suggestions that you may have. In that way, begin to stimulate discussion in each and every Public Accounts Committee in this country on various aspects of the report. I think it is an alternative to a visitation. It may be a desirable and yet workable solution to what I think all of us agree should now take place and that is to stimulate discussion across the country on this very fine document.

MR. CHAIRMAN: Well, Mr. Van Mulligan, I want to thank you. I gather then that the matter of the committee continuing and to complete the changes and to have it published is agreed on and I think then that brings up the point that Mr. Van Mulligan raises and the one that Ms. Marzari raised in the matter of the educational role. I think that is the third point.

We have agreed on the first two and it seems to me the third one that has come up from the subcommittee is that within the limits of their time and possibly with the assistance of some of the auditors, that if some of the committees in the country would like to invite them to come to visit the committee at some appropriate time that that be done. On the other hand there be no coercion, that there be no effort to

force the committee to go to Nova Scotia, or Alberta, or Quebec or anywhere, but if some committee, B.C. or someone wanted a small group to come and sit down and go over the ideas in the report and answer any questions, that would be done. So, I just throw that out to you to see if that is accepted as a third point. Mr. Smith.

MR. DAVID SMITH (Ontario): If this is to happen, how does this committee get their remuneration, if they are invited for instance to go to Newfoundland or vice versa, to go to B.C. or Northwest Territories? How do they get remunerated in their travels if they are invited to one particular committee?

MR. CHAIRMAN: Ms. Marzari.

MS. DARLENE MARZARI (British Columbia): My thought on this is that if you got a good idea, you leave it to a technical committee to figure out the feasibility and the ways of accomplishing it. Too many good ideas can get killed by talking about where you are going to get the money from. I think that between the subcommittee here, if we sit until Christmas and work things through, we will find a way. I think that even yesterday, between the lines, we got a commitment from the federal representative on the federal Public Accounts Committee, a quasi commitment. So, I think if the idea is good and if we believe in what we have been meeting for for three days, we will find a way. If we do not, it will be our fault, eh?

MR. CHAIRMAN: Well, I think, Ms. Marzari and Mr. Smith, that these are good points, but it may be, for example, that if a particular committee wants to invite say two or three people to come to meet with them, maybe they could help to pay for the costs so there would be no load on the committee members or their provinces. If some province wanted to invite them, maybe that could be looked at. I am sure there is a way to do it. Mr. Philip.

MR. ED PHILIP (Ontario): Mr. Chairman, I am concerned about the suggestion that was left dangling out there that the various committees contact any one of us. I think that it is more useful if Winston acts as the coordinator of all information and knowledge that is flowing in to us, and that we have one person sending out the information to the rest of the committee. It just gets too sloppy. So, I would suggest that any feedback should be directed to Winston and, as in the past, he has been quite good at getting information to the rest of us.

MR. CHAIRMAN: Mr. Philip, a good point. I think I might have been the one that was a little loose on that one and I think the man from the rock is the chair, so, he is the contact person. Thank you. Ms. Marzari.

MS. DARLENE MARZARI (British Columbia): One final comment to talk to Harry's point here. The business of each committee and each jurisdiction being asked by us as a subcommittee whether or not they approve of the document. It is an idea but it is, I would think, rather idealistic. If I were to take this document to my committee in British Columbia alone, even with the support of my Auditor General, I do not think it would go very far because of the nature of the polarization of my committee, and because of self-ascribed roles that people play, political roles in my committee. I would like a minor floatilla to be there with me in the harbour when the first volley was fired.

So, I would rather think that each chair and each deputy chair would work it out between themselves as to how to best approach their committee and with what techniques. Rather than having us three tell you that you should be taking it to your committee, I think I would rather leave it to the discretion of each chair and their deputy as to how it might best be handled, and please inform us and let us know how it is coming along and see if we have any means to assist and help you.

MR. CHAIRMAN: Ladies and gentlemen, it seems to me that unless there is somebody that has a particular point, we have concluded the discussion on the report, and I think we should leave it there. So, what I would propose to do, I've got one short announcement. We are going to break for 10 to 15 minutes. We are going to be back in here between 10:00 a.m. to 10:05 a.m. for a short meeting. It is really for council business, election of the new president and so on and so forth, some matters like that and any other new business people want to bring up.

I have one short announcement. Apparently there are a few seats available on the Bluenose II leaving in 10 minutes. So, if there is anybody here who is really anxious to go to the Bluenose II, you have got 10 minutes to get down to the dock. Now, I would hate to lose everybody, but there a maximum apparently of 20. So, there is room for up to 20 people. It cannot take all of us, but if anybody wants to go, you will be excused. That is the situation, otherwise we are back here at 10:00 a.m. to 10:05 a.m. Thank you.

[9:50 a.m.]

[10:12 a.m.]

MR. CHAIRMAN: I think we should get our session under way. What I would like to do is to deal with some council business and then we can see if there are any other matters that anybody would like to raise. There are several items that have to be dealt with on council business.

First, I would like to move that the minutes of the 9th Conference, which was held in Ville de Québec in 1987, be adopted. The minutes of the proceedings are contained on Page XII to XIV in the report of the conference that was so well done up by the Province of Québec under the chairmanship of M. Jean-Guy Lemieux. I move that those minutes be adopted.

Is it agreed?

It is agreed.

Thank you. Commonly in the past, the matter of the constitution of the Canadian Council Public Accounts Committee has been dealt with, sometimes in some depth. Does anybody have any suggestions for changes? I am not fishing for changes, but does anybody have any comments on it? If not, we will just pass on to the next item. Any questions on the constitution? No questions. We move on. I thank you.

I want to next ask about elections. We are all interested in those from time to time. Nova Scotia, Newfoundland and maybe Canada will be under the gun before some of the rest of you, but in any event, I am open for nominations for the post of President of the Canadian Council of Public Accounts Committees for 1988-89. In other

words, effective from the time of the election today. I am open to nominations for president.

MR. RON MOORE (Alberta): Mr. Chairman, because Alberta has the pleasure and the privilege of hosting next year's conference, I would like to nominate Barry Pashak for the in-coming president.

MR. CHAIRMAN: Mr. Moore, I want to thank you for nominating Mr. Pashak for the post. Mr. McKenzie.

MR. DAN MCKENZIE (Canada): Do you need a seconder?

MR. CHAIRMAN: I am sure he would be honoured to have yourself. Mr. Dan McKenzie seconds the nomination.

Not hearing any other nominations, I declare Mr. Pashak elected as President. (Applause) A little bit later, we will ask Mr. Pashak to say a few words to this distinguished group, especially now that he is President, if what he says cannot be used against him.

I am open now for nomination for First Vice-President for the Canadian Council of Public Accounts Committees for 1988-89.

MR. KEVIN PARSONS (Newfoundland): I nominate Mr. Winston Baker.

MR. CHAIRMAN: Mr. Parsons nominates Mr. Winston Baker. Does anybody want to second that?

DR. KAL SEAMAN (New Brunswick): I second it.

MR. CHAIRMAN: Dr. Seaman seconds that. Since there are no other nominations, I declare Winston Baker the First Vice-President of the Canadian Council of Public Accounts Committees. (Applause)

The conference is scheduled to be held in Alberta next year, in Terre-Neuve for the following year and then Manitoba. I would then gather that the logical person for the executive would be a representative from Manitoba. So, I would be open for a motion that the representative from Manitoba be named. We do not have any person here, but maybe the executive so appointed could add the appropriate person from Manitoba once they get their committee in operation. Is that the will of the meeting, that the executive would add a representative from Manitoba?

Is it agreed?

It is agreed.

Manitoba will be represented as second vice-president.

Now that we have completed the matter of elections, I would like to call on Mr. Barry Pashak for any comments that he might want to have as the new President.

MR. BARRY PASHAK (Alberta): Well, thank you very much, Mr. Chairman. First of all, I think on behalf of all of our members present and all of our support people, I would like to express a very sincere appreciation to you, to Mr. George Archibald, to Dianne Stillman and all of the others who organized this conference and put on such a good show. Perhaps everybody would just join with me in giving them a round of applause again. (Applause) I do not know if I have omitted anybody who should be considered.

The next thing, just briefly, about the City of Edmonton, that it is going to be very proud to host the next meeting. The conference dates will be July 9th to 12th, although we have the Four Seasons in Edmonton booked for July 8th. As far as the business part of the meeting is concerned, and I would welcome any suggestions from any of our members, we are going to obviously do a follow-up on the guidelines for Public Accounts Committees in Canada. We will set some time on the agenda for people to review the changes that have been proposed and to look at other changes that members might have at that time.

I think in terms of the business agenda, we would also like to set aside some time perhaps to meet maybe in smaller groups with the Auditors General in different ways to see how we might coordinate our actions a little more closely. As far as social activities at the Edmonton conference, we are going to make sure that we set aside a full day for those people who are travelling with us to spend a day at the West Edmonton Mall. That seems to be a critical item for a lot of people for some reason. (Laughter) I have to admit that I have been in Edmonton for two years now and I have yet to visit the West Edmonton Mall, but it depends on where your priorities are, I guess. What else can I say?

The other item that I wanted to get some response from the members about is, that at the end of the conference, at this time a year from now, on the Wednesday, we are considering organizing a tour that would take members and Auditors General and the people who are travelling with them, perhaps up to the mountains, to maybe spend a night in Jasper, another night maybe in Banff or Lake Louise, a night at the Calgary Exhibition and Stampede. We would try to put that package together. It could be fairly expensive. It could run in the neighbourhood of $350 as an absolute minimum, up to $800 if we went on the really deluxe package and put you up at Jasper Park Lodge, but let us assume that we are looking at a price of roughly $400 per person for a three-day package. Could I get a show of hands from people here just to see how many would be interested in doing that and would likely do it at that price range? Could I just ask for that so that we might get some help with our planning? You see, if we get about 40 people we can pull it off. It looks like we have got 10 and then if you multiply that by 2 it is 20, and if the auditors come up with the same, . . .

MS. DARLENE MARZARI (British Columbia): The auditors will all go.

MR. BARRY PASHAK (Alberta): . . . and they will all go. So I am pretty sure that we will be able to build that into our planning.

The other item of business is that Mr. James has circulated a letter on May 13, 1988 in which he has suggested that we might look at exchanges with people from other Public Accounts Committees around the globe, Australia, the United States. We will try to do some follow-up on that.

I intend to meet, if we can again work it, a lot depends on whether people can get the funding out of their own Public Accounts budgets, but we will have a meeting of the executive in Montreal in late November at the Comprehensive Audit Foundation meeting.

With that, are there any suggestions either for the social agenda or the business agenda that anyone would like to bring forward? No? Well, then, I really look forward to seeing you in Edmonton next July. (Applause)

MR. CHAIRMAN: Mr. McLachlan.

MR. JAMES MCLACHLAN (Yukon): A question. Barry, you mentioned July 8th next year. That is a Saturday. It is your proposal to open the conference then on a Saturday rather than a Sunday as per the previous schedule?

MR. BARRY PASHAK (Alberta): No, it is just that we will arrange to book rooms for people who want to come in a day early because of the travel lag. We are actually going to begin the conference on the evening of the 9th, as we have in the past.

MR. CHAIRMAN: Ladies and gentlemen, are there any other items of business, any matters that anybody wants to bring up at this time? I have a few thank you's to make and to announce the lunch and the bus departures and so on. Other than that, I believe I am through.

We have the date and the site of the conference and I thank Mr. Pashak for that and his kind invitation to go the great Province of Alberta.

Are there any other questions or comments? M. Lemieux.

M. JEAN-GUY LEMIEUX (Québec): J'ai appris du vérificateur adjoint du Québec que le président de la conférence des vérificateurs a eu le mandat de revoir le programme pour la troisième année et les années subséquents. Alors, je pense qu'il y aura lieu, et je trouverais anormal qu'on laisse le soin aux vérificateurs de preparés ou de planifier le programme sans que nous y soyons à ceci. Alors, je pense qu'il y aura lieu pour le prochain président de s'informé si, effectivement, c'est la cas qu'on veut revoir ou modifier le programme pour les années 1991, 1992, 1993 et suivante, alors, il sommeraient le résultat. Alors, je fait seulement la suggestion qu'on puisse s'informé auprès du présent de la commission de la conférence des vérificateurs, si effectivement, c'est leur mandat de revoir ce qu'il y a nouvelle planification dans la teneur des conférences. Merci.

MR. CHAIRMAN: Mr. Pashak, did you have any questions or comments with regard to Mr. Lemieux's statement, or is that clear, what he was thinking of?

MR. BARRY PASHAK (Alberta): I think what I will try to do is to catch up with Mr. Lemieux as we are leaving the room and hear from him further on that point.

MR. CHAIRMAN: I want to thank you both. It seems to me that we are winding down and I think it is the appropriate time to wind up this morning. I have a couple of thank you's.

I especially want to thank Winston Baker and the members of his committee, Mr. Philip, Ms. Marzari, and Ms. Aideen Nicholson of the House of Commons, for the work they did. For volunteers it was a big project to undertake, preparing the Guidelines for Public Accounts Committees. It is not a small task and I must say, as Chairman, and I know Mr. Archibald, for Nova Scotia, we appreciated the effort they put in. Doing it on time was even better, because sometimes in this business people will promise, especially in a committee, to do something and then a year or two later you are still wondering where it is. I want to thank the committee and their support staff, Mr. Porter of Newfoundland in particular, and all of those other people who worked so hard on the draft that they prepared. It was a great help to us and I thank them very much.

I want to thank, again also on behalf of Mr. Archibald, the Vice-Chairman of the Nova Scotia Public Accounts Committee, I want to thank the people who helped us here in Nova Scotia. Obviously, we were only able to do a little bit of the work, but we had tremendous cooperation from Dianne Stillman, of our committee's office, who is here this morning in the room, and also Joan Kelly, who is in that office. They both worked hard. Plus, we had liaison with the office of the Auditor General and I want to acknowledge publicly the cooperation and spirit of good working relationships that we developed with them in planning the joint programs and the program in general.

For all of those other people, people around the House, the pages, the Hansard staff, there are just any number of people who did a great deal to make our program happen without too much difficulty, all of them and all of those who I did not mention, on behalf of Mr. Archibald and I, I want to thank.

Finally, I want to thank the delegates who are here now and were here throughout the business sessions. We are charged with keeping an eye on public expenditures and I think if we show a bad example, if we have a conference like this and we don't even bother to attend our meetings and try to get something out of it and contribute something, I think it is a disgrace. I must say that I am really impressed to see the delegates from all of the provinces, elected persons and staff, who came and attended the meetings, and in conditions which were not exactly ideal, it is a little bit warm here on occassion, but I am really impressed. You are a tremendous group and I want to thank you all for putting up with the Chair here and for being here and attending the sessions. Thank you very much. (Applause)

Finally, I want to announce that the luncheon is at 12:30 p.m. in the same rooms that we have used for lunch the last several days and for the . . . (Interruption) I am sorry, what did I say? (Interruption) Oh, I am sorry, the bus leaves at 12:30 p.m. and the luncheon is at 11:30 a.m., so that we can be ready. I am very sorry. Thank you. The luncheon is at 11:30 a.m. and if we adjourn now you will have time to get ready, get the appropriate clothes to make yourself comfortable on the bus for the trip to the Valley. Luncheon is at 11:30 a.m., the bus is at 12:30 p.m.

This is the end of the conference and again I want to thank you all. I ask for a motion to adjourn our meeting to the call of the Chair next year in Alberta. Thank you very much.

MR. ALAN REDWAY (Canada): Mr. Chairman, just before you do that, I think, on behalf of all of us, that we would like to express our thanks to you for the very excellent way in which you have chaired these sessions and generally for the excellent way in which this conference has been conducted. Our sincere thanks to you. (Applause)

MR. CHAIRMAN: Thank you, Mr. Redway. Lunch is at 11:30 a.m. in the rooms we used the last couple of days, thank you.

The meeting is adjourned.

[10:28 a.m.]

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